

6 May 2026

Chief Investment Office GWM  
Investment research



# The CEO Macro Briefing Book 2Q26

Navigating headwinds

Paul Hsiao, Senior Asset Allocation Strategist  
Jason Draho, Ph.D., Head of Asset Allocation,  
CIO Americas



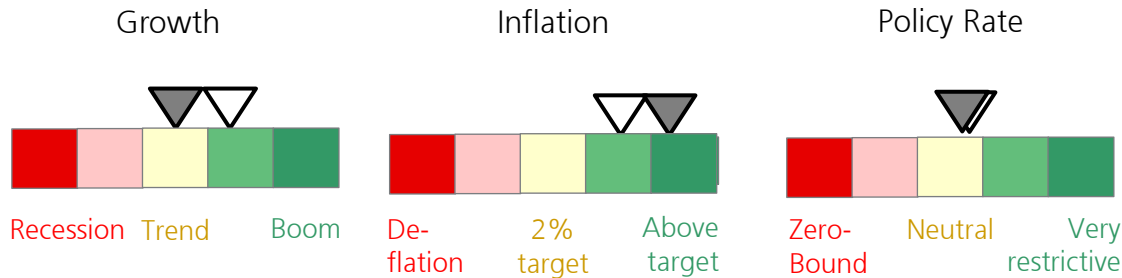
This report has been prepared by UBS Financial Services Inc.

Please see important disclaimers and disclosures at the end of this document.

# Executive summary: Mind the momentum

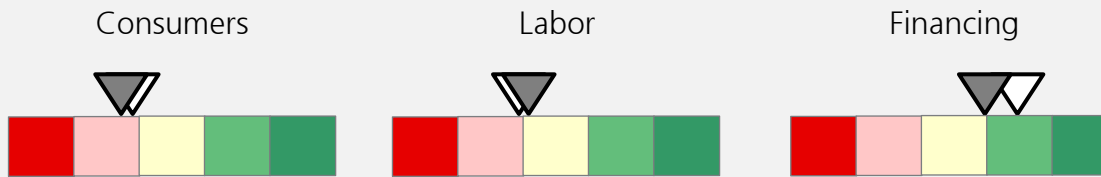
▬ Last quarter   ▬ Current

## Macroeconomic Conditions



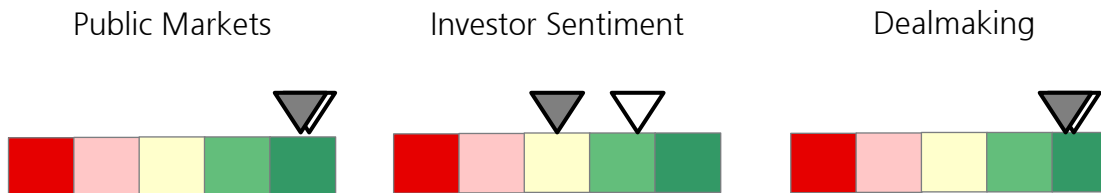
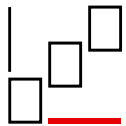
- Headline inflation to accelerate while core inflation to slow with growth expectations.
- We expect two rate cuts in the second half of this year.

## Operating Environment



- Consumers show more signs of exhaustion.
- Labor market surprises to the upside; limited AI effect so far.
- Financing conditions improvement delayed as Fed pushes out rate cuts.

## Markets & Deal Activity



- Equities return to all-time highs, with rally to broaden.
- Rates remain elevated following Iran war start.
- Dealmaking continues to accelerate; mega-IPOs could increase exit optimism.

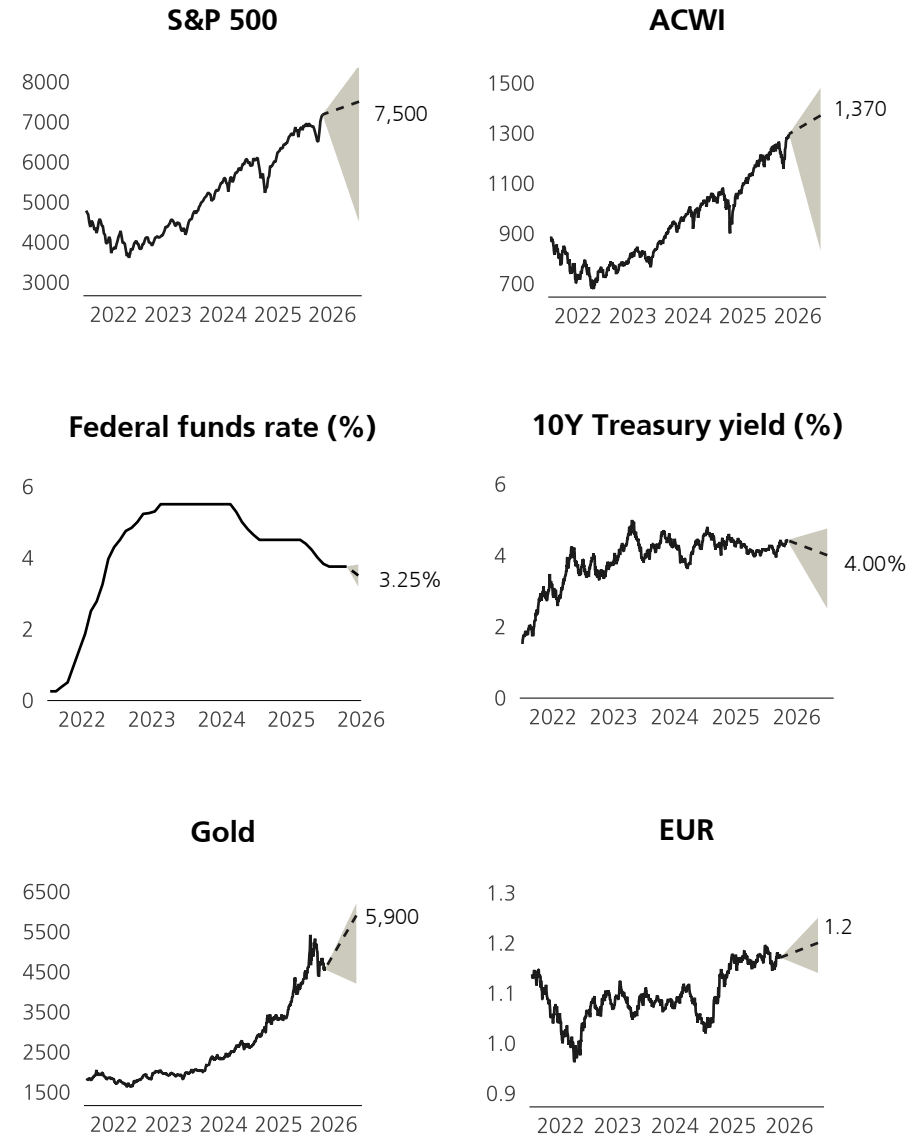
# Markets dashboard

Performance	Latest	YTD	Q425	Q325	2025
<b>S&amp;P 500</b>	7201	5.1%	2.3%	7.8%	16.4%
<b>Large Cap Growth</b>	5256	5.9%	2.1%	9.6%	21.4%
<b>Large Cap Value</b>	2188	5.2%	2.7%	5.7%	11.0%
<b>US Small Cap</b>	2796	12.7%	1.9%	12.0%	11.3%
<b>Int'l DM</b>	1289	6.3%	3.4%	7.6%	18.0%
S&P 500 Sectors					
Energy	906	31.6%	0.7%	5.3%	5.0%
Materials	632	10.1%	0.6%	2.6%	8.4%
Industrials	1447	10.4%	0.5%	4.6%	17.7%
Consumer Discretionary	1959	1.5%	0.5%	9.4%	5.3%
Consumer Staples	945	9.0%	-0.7%	-2.9%	1.3%
Healthcare	1687	-6.4%	11.2%	3.3%	12.5%
Financials	857	-5.8%	1.6%	2.9%	13.3%
IT	6134	7.9%	1.3%	13.0%	23.3%
Utilities	471	8.3%	-2.1%	6.8%	12.7%
Real Estate	280	9.6%	-3.7%	1.7%	-0.3%
US Gov't					
<b>Munis</b>	2434	0.0%	0.9%	1.5%	6.3%
<b>TIPS</b>	1406	1.0%	1.6%	3.0%	4.2%
<b>Agency</b>	375	1.6%	0.1%	2.1%	7.0%
<b>US IG</b>	131	0.4%	1.3%	1.6%	7.7%
<b>US IG</b>	3547	0.1%	0.8%	2.6%	7.8%
<b>US HY</b>	2953	1.3%	1.3%	2.5%	8.6%
Oil					
<b>Oil</b>	105.2	84.3%	-7.9%	-4.2%	-19.9%
Gold					
<b>Gold</b>	4522	4.6%	11.9%	16.8%	64.6%
USD					
<b>USD</b>	98	0.1%	0.6%	0.9%	-9.4%
EUR					
<b>EUR</b>	1.17	-0.4%	0.1%	-0.4%	13.4%
JPY					
<b>JPY</b>	157	0.2%	6.0%	2.7%	-0.3%
EM FX					
<b>EM FX</b>	1871	0.7%	0.5%	-0.5%	7.2%

Source: Bloomberg, UBS, as of 4 May 2026



## UBS CIO forecasts for December 2026

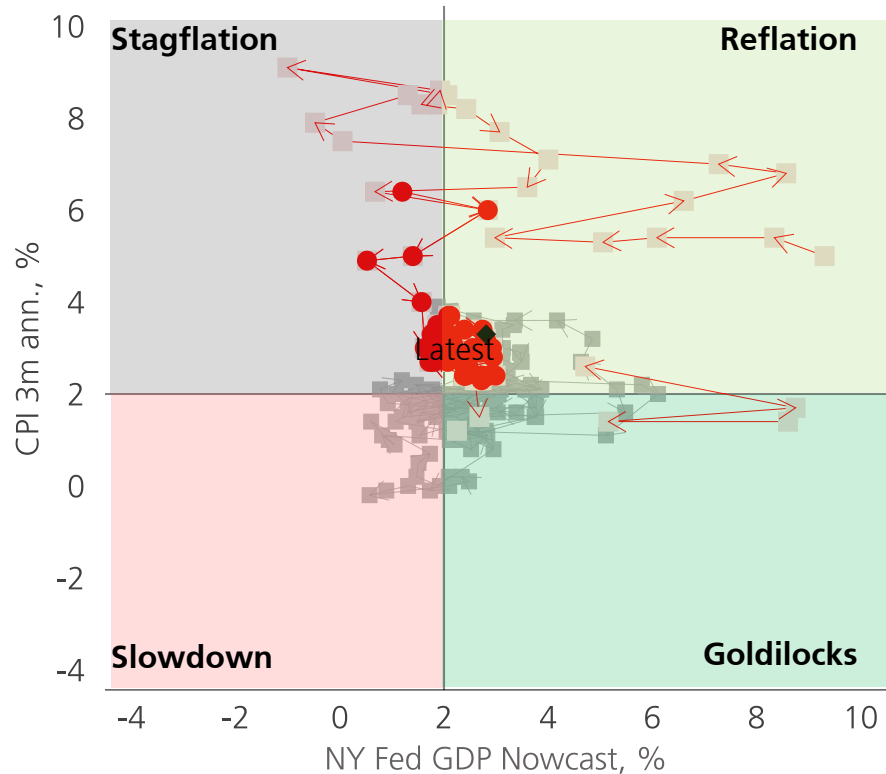


# Macro regime: Reflation regime now threatened

The rapid conflict and ceasefire in Iran support a “Reflation” regime but may be pushed temporarily toward “Stagflation” depending on the Iran conflict intensity and duration.

## Macroeconomic regime quadrants

New York Fed Nowcast & CPI 3m ann. change, %



## Current regime: Reflation

- The Iran war hasn't derailed the growth and disinflation story just yet; recession risk remains low and the Fed continues to signal an easing bias.
- Recent job growth has surprised to the upside, unemployment rate and initial jobless claims are still in healthy territory, limiting the immediate case for a rate cut.
- 1Q GDP shows growth on trend; slowdown in consumption partially offset by rise in AI-related business investment.
- Oil and tariff effect on inflation to peak over to summer and set to slow in 2H26.
- We expect the Fed to cut rates twice in the second half of the year as inflation continues to cool and growth moderates.

## What we expect: A resilient economy amid tailwinds

- The Iran conflict and its impact on oil prices could keep input prices high while weighing on growth prospect.
- Midterm election result will likely lead to more constraints on White House.

Source: Bloomberg, Macrobond, as of 6 May 2026

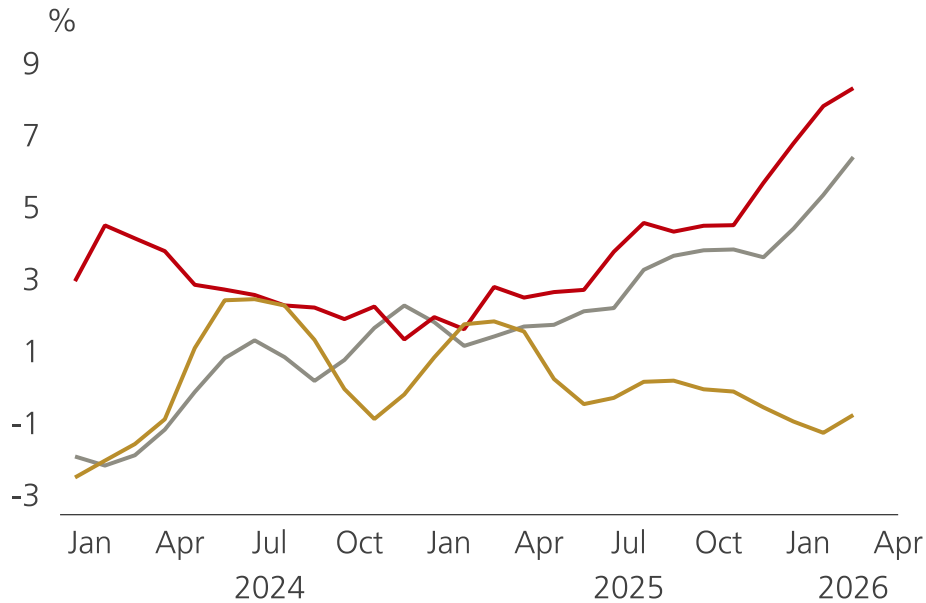


# Macroeconomic conditions: Investment broadening beyond tech

Tech investment has been the key driver of strength, while consumer and non-durables have been soft. However, non-tech durables and equipment spending have started to catch up to tech.

## New orders show a broadening to non-tech durables

Factory orders by type, y/y of 3mma

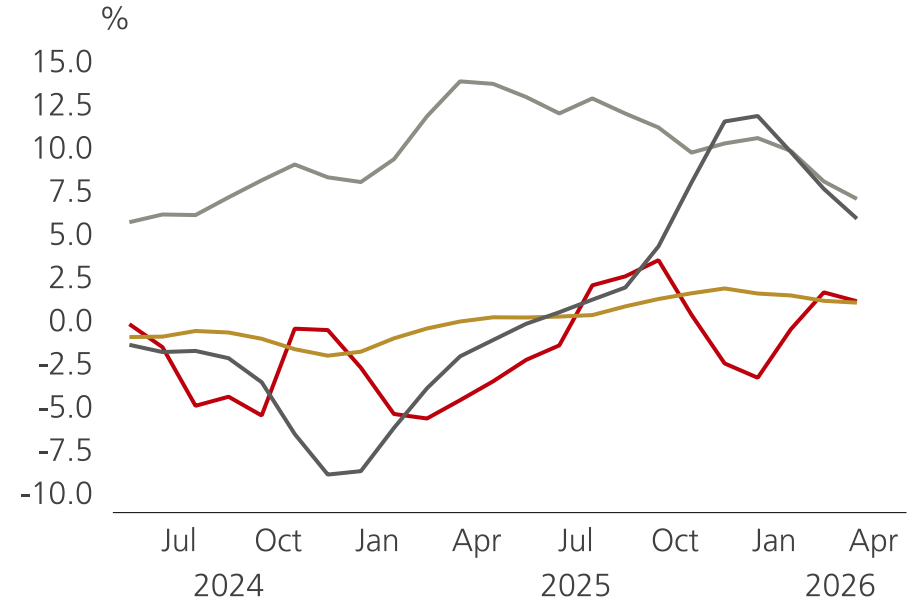


- Non-Durable Goods YoY
- Computer, Electronic Products, Equipment YoY
- Dur. Mfg Excluding Def/Air and Computers/Elect. YoY

Source: Bloomberg, UBS, as of 27 April 2026

## IP data show equipment spending beyond tech

IP investment by type, y/y of 3mma



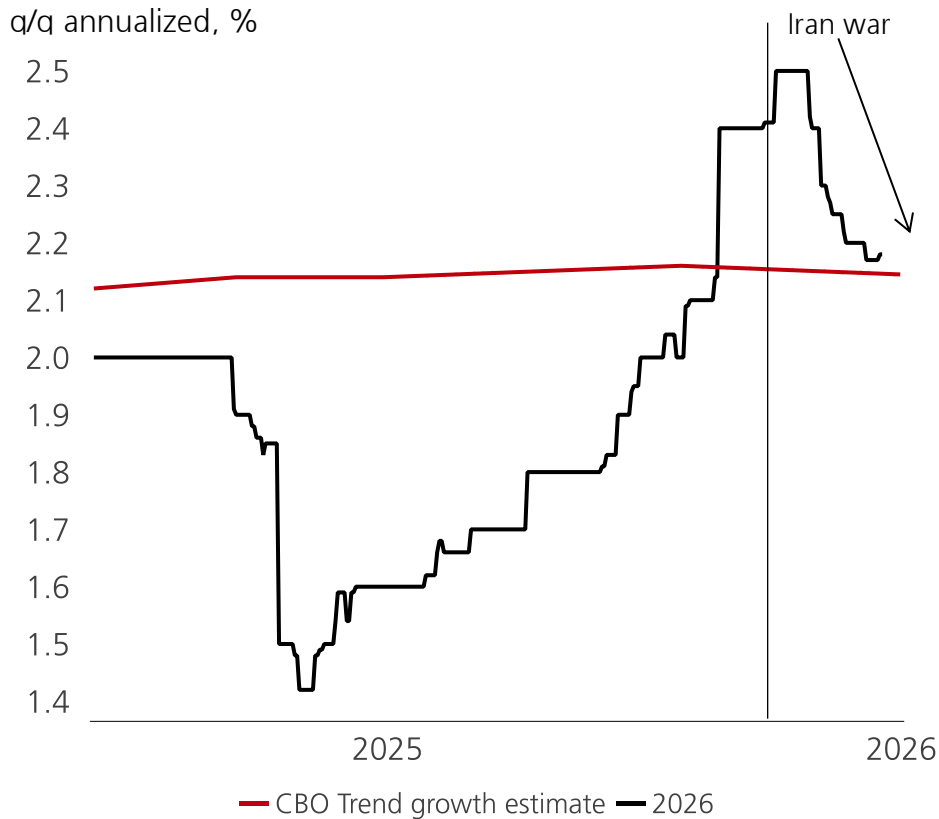
- Business Equipment: Non-Energy, ex high tech and cars
- Special Aggregates, Non-Energy, ex high tech and cars
- Motor Vehicles & Parts
- High-Technology Industries

Source: Bloomberg, UBS, as of 27 April 2026

# Macroeconomic conditions: Growth remains resilient despite war

2026 growth upgrades have stopped after the increase in energy prices. Still, the bar is very high for a recession since the economy is more insulated to war-induced stagflation shock than before.

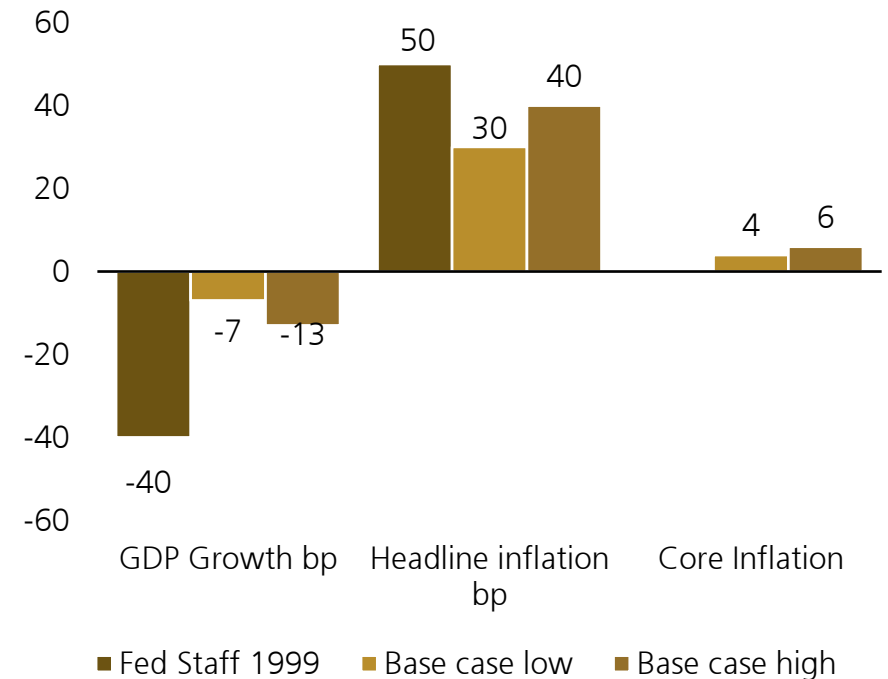
## Iran war has halted trend of growth upgrade



Source: Bloomberg, UBS, as of 4 May 2026

## Oil/US-growth rules of thumb have dropped in recent years

Economic effects of persistent oil change per USD 10 change



Source: Bloomberg, UBS, as of 4 May 2026

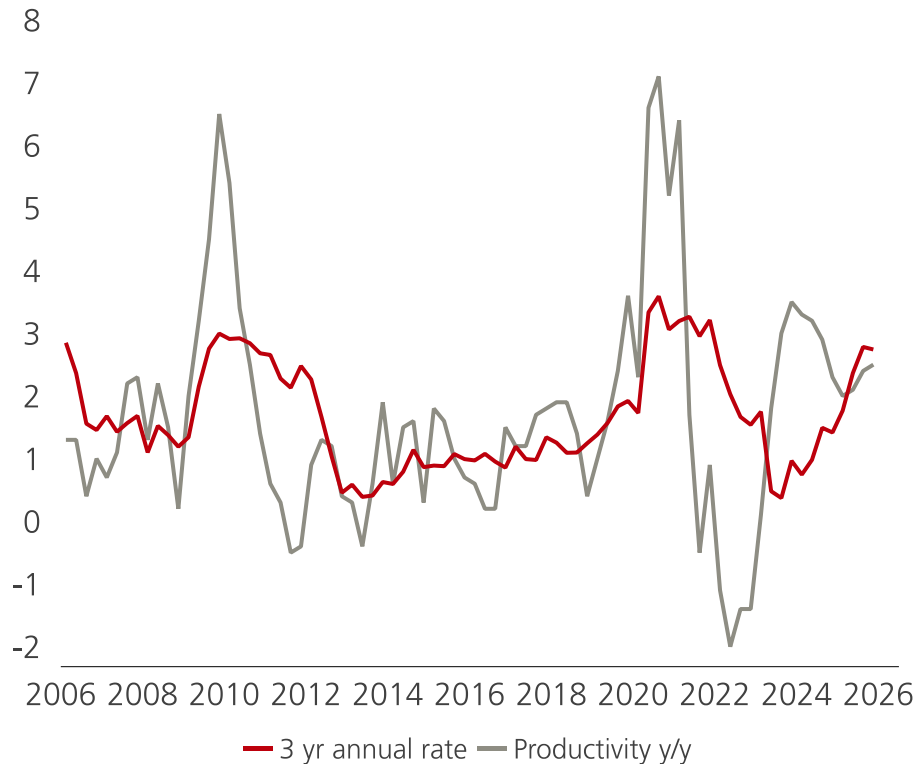


# Macroeconomic conditions: Productivity growth already higher

Higher productivity likely reflects more intense utilization of capital, less labor hoarding, and labor-saving practices. The coming AI productivity boost = adoption x task improvement x AI task exposure.

## Productivity trends are well above the 1.2% 2010-19 avg

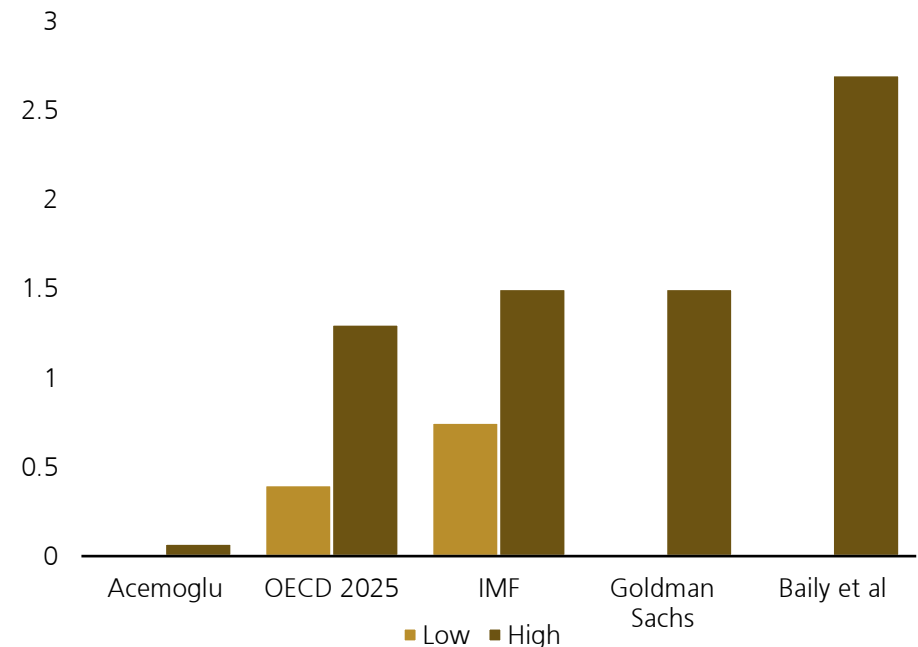
Nonfarm business output per hour annualized rate



Source: Macrobond, UBS, as of 27 April 2026

## Estimates of AI effects on productivity center around 0.5-1.5%

Increase in labor productivity over a decade from AI (pp), annualized



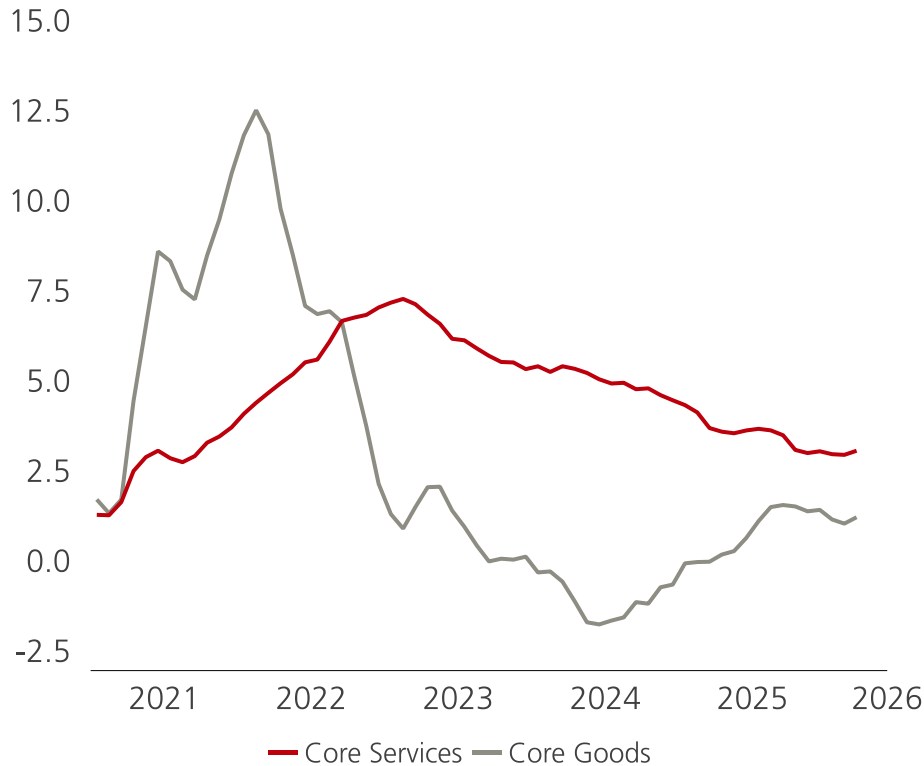
Source: OECD Filippucci et al 2025, UBS, as of 27 April 2026

# Macroeconomic conditions: Fed to look through inflation acceleration

Tariffs and oil have kept inflation higher than 2% yet new Fed Chair Warsh's preferred inflation gauge (median PCE) very close to target.

## Tariff effect still relatively modest

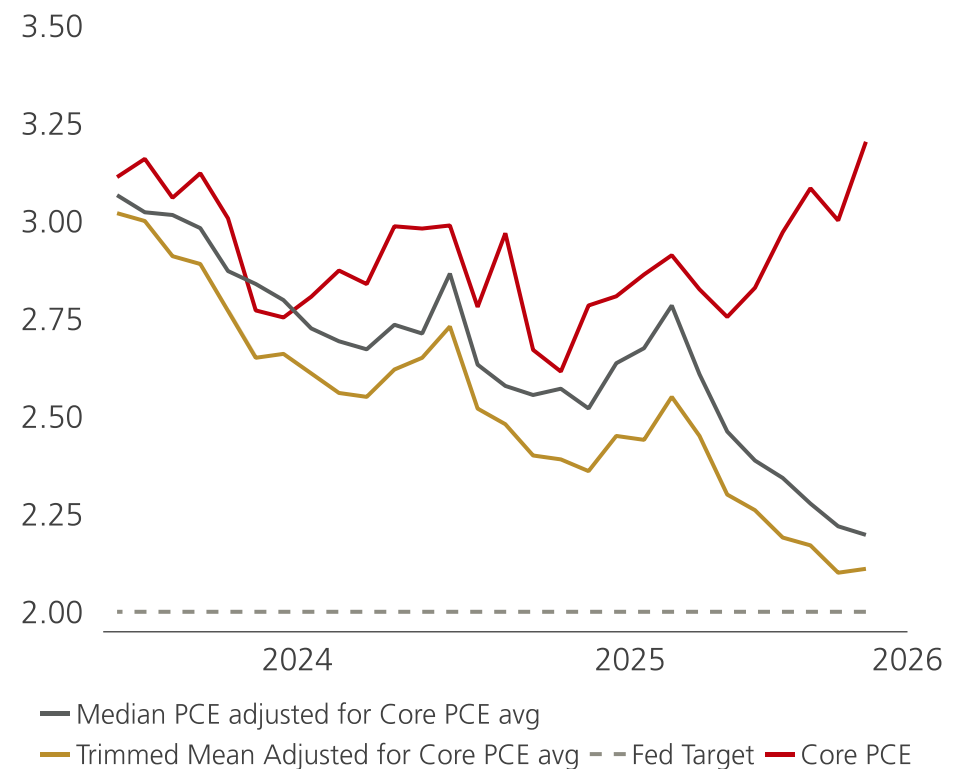
year/year %



Source: BLS, Bloomberg, UBS as of 4 May 2026

## Fed's Warsh highlighted median PCE as the measure to watch

Core PCE, median, trimmed mean y/y adj. to Core PCE avg, %



Source: Bloomberg, UBS, as of 4 May 2026

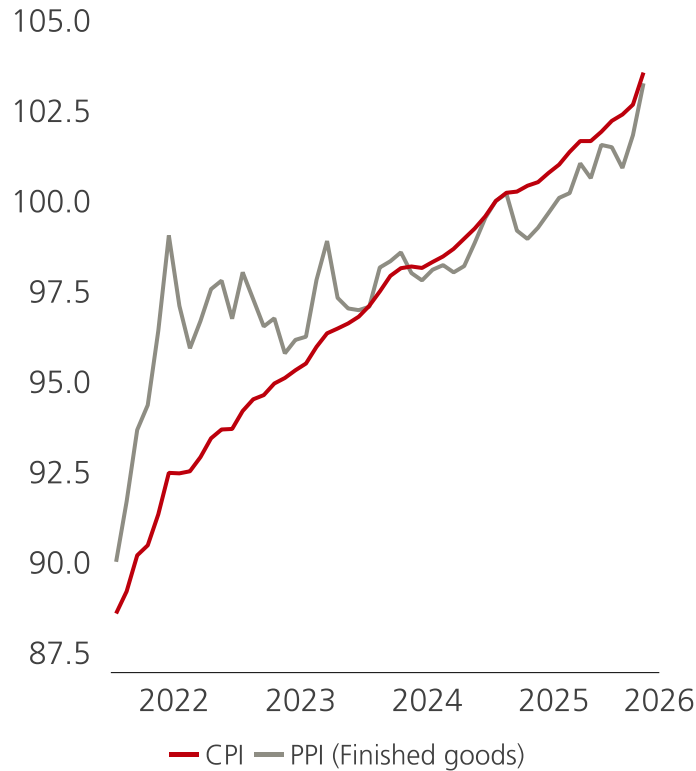
# Macroeconomic conditions: Imported goods

Tariff-led inflation has kept inflation elevated above the Fed's 2% target but has not meaningfully materialized into a sharp acceleration; services-side inflation continues slowing trend.

- Inflation to slow in the coming months.** Peak tariff-led inflation likely behind us as latest inflation data have come in softer than expected. Goods prices remain elevated due to tariffs, and we expect service disinflation to continue with softer rents and cooling wage pressures.

## Margins squeezed as PPI matches CPI

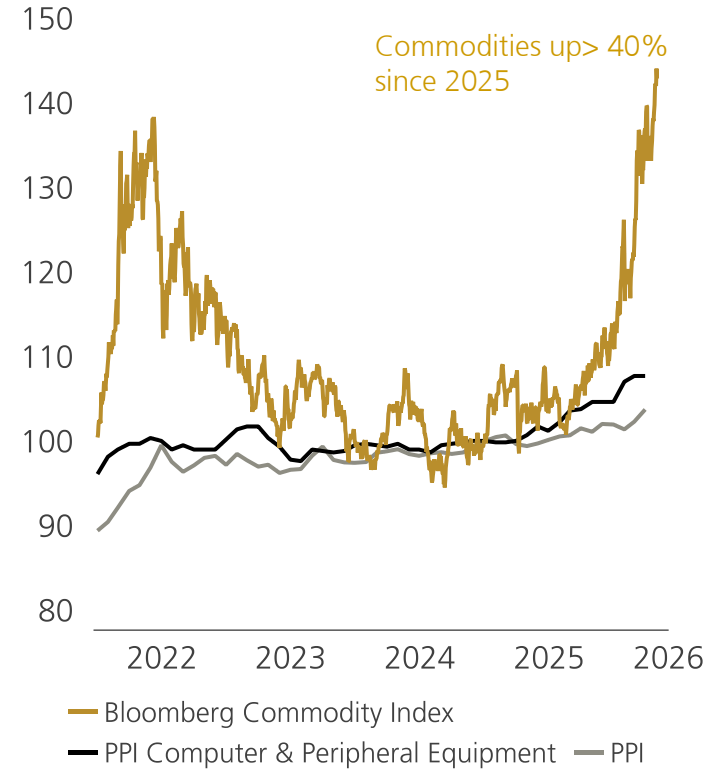
Rebased 2025=100



Source: BLS, Bloomberg, UBS as of 4 May 2026

## Commodities and computer prices higher

Rebased 2025=100



Note: Bubble size corresponds to CPI weight  
Source: Bloomberg, UBS, as of 4 May 2026

# Consumer key points: Fundamentals soften with some relief ahead

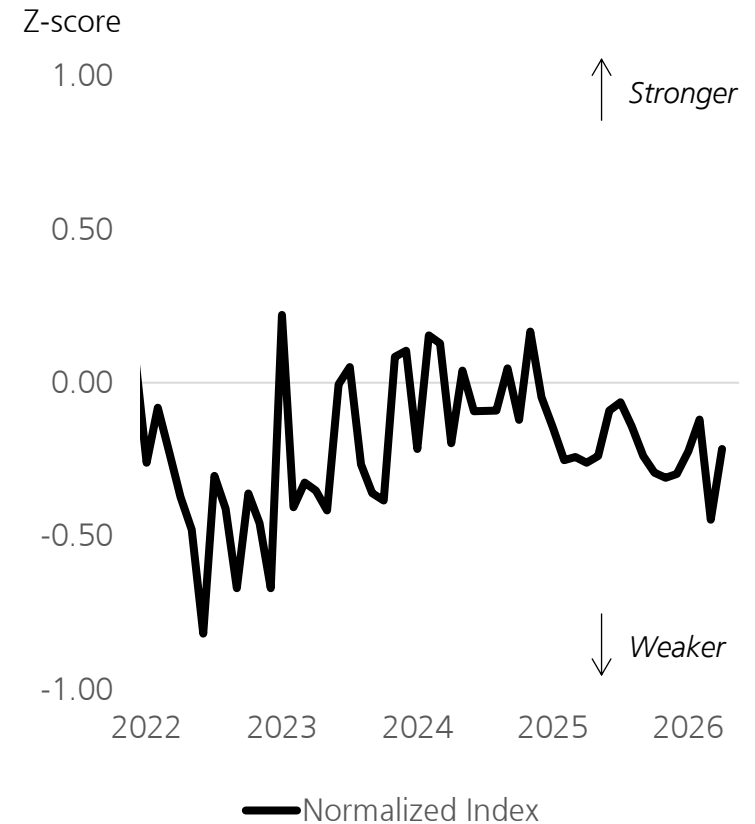
- **Consumer gloom is justified.** Higher gas prices reinforce affordability concerns for consumers as savings rates decline and personal income slows.



Consumer	-2y	Today
Retail Sales	Weak	Weak
Personal Consumption	Weak	Weak
BRANDS index	Strong	Strong
Auto sales	Strong	Strong
Real Income	Weak	Weak
Networth/DPI	Weak	Weak
Savings Rate	Strong	Strong
Debt Service Ratio	Weak	Weak
Sentiment - Macro	Strong	Strong
Sentiment - Personal	Weak	Weak

Sentiment – Micro” refers to the business outlook and personal finance subcomponents of the University of Michigan’s consumer sentiment survey. Source: Bloomberg, BLS, Federal Reserve, UBS, as of 4 May 2026

## Consumer Composite score still negative



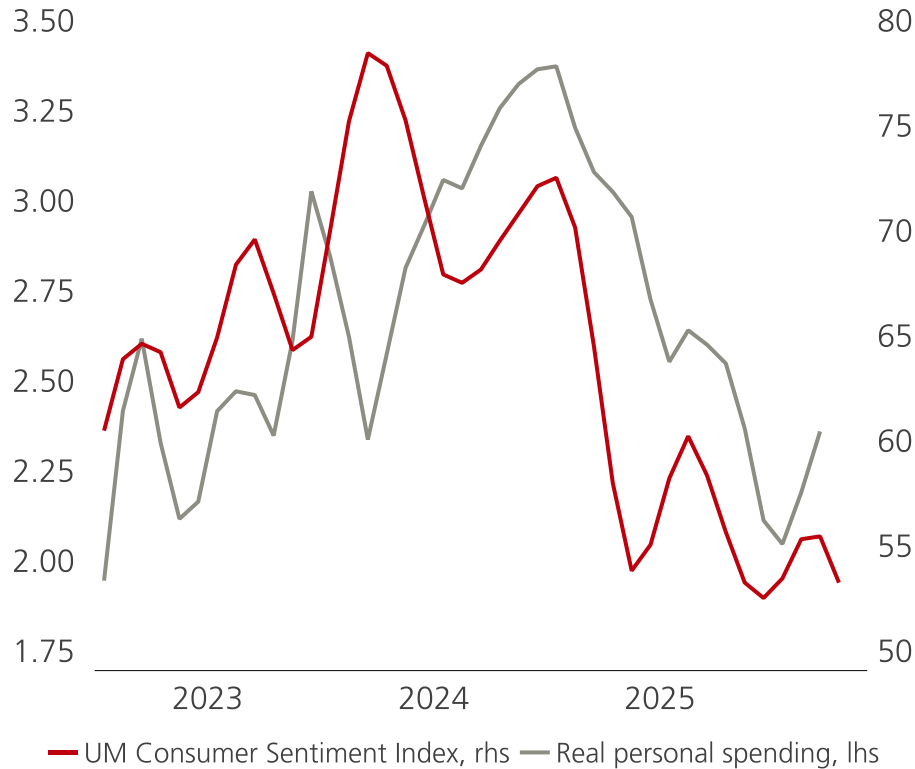
Note: The Consumer Composite score takes the average of the z-scores of the indicators in the heatmap. Source: Bloomberg, Federal Reserve, BEA, UBS as of 4 May 2026

# Operating conditions: Consumer spending has slowed, in real terms

The gloominess consumers are facing is leading the slowdown in spending; a high-ticket discretionary item like air travel shows signs of sluggish spending this year.

## Dour sentiment leads slowdown in personal spending

Real personal spending y/y %, UM consumer sentiment index



Source: BEA, UBS, as of 6 May 2026

## High air travel costs lead to slower air travel spending this year

Real personal consumption expenditures, %



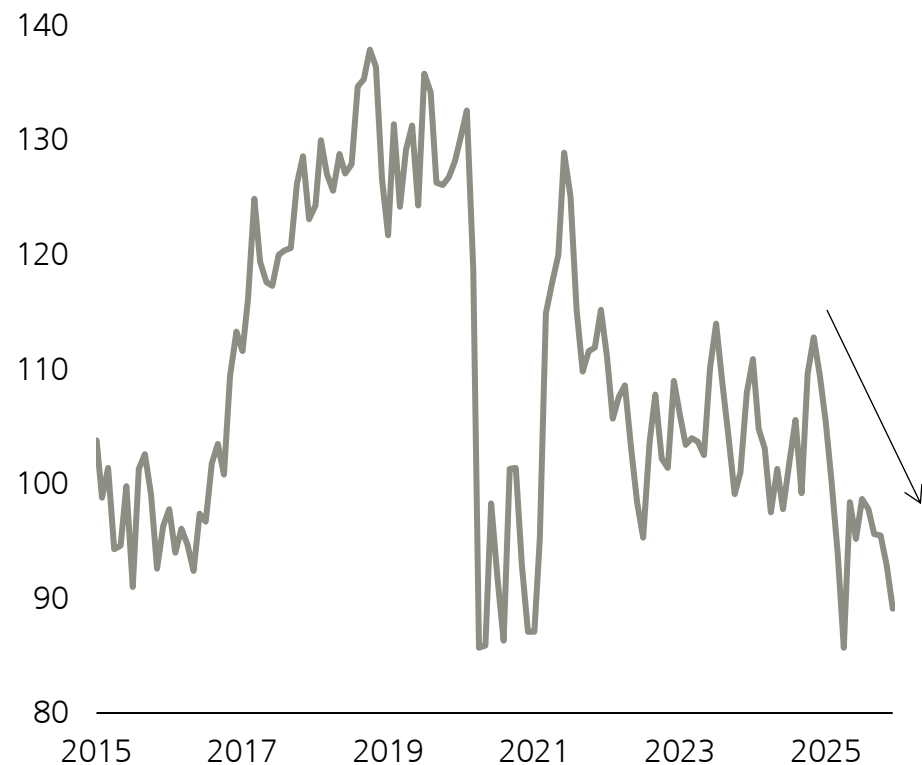
Source: BEA, UBS, as of 6 May 2026

# Operating conditions: Consumers feel gloomy ahead of midterms

Households say they struggle against rising cost of living and consumer sentiment drops to the lowest levels since the pandemic recession.

## Consumers very pessimistic to start 2026

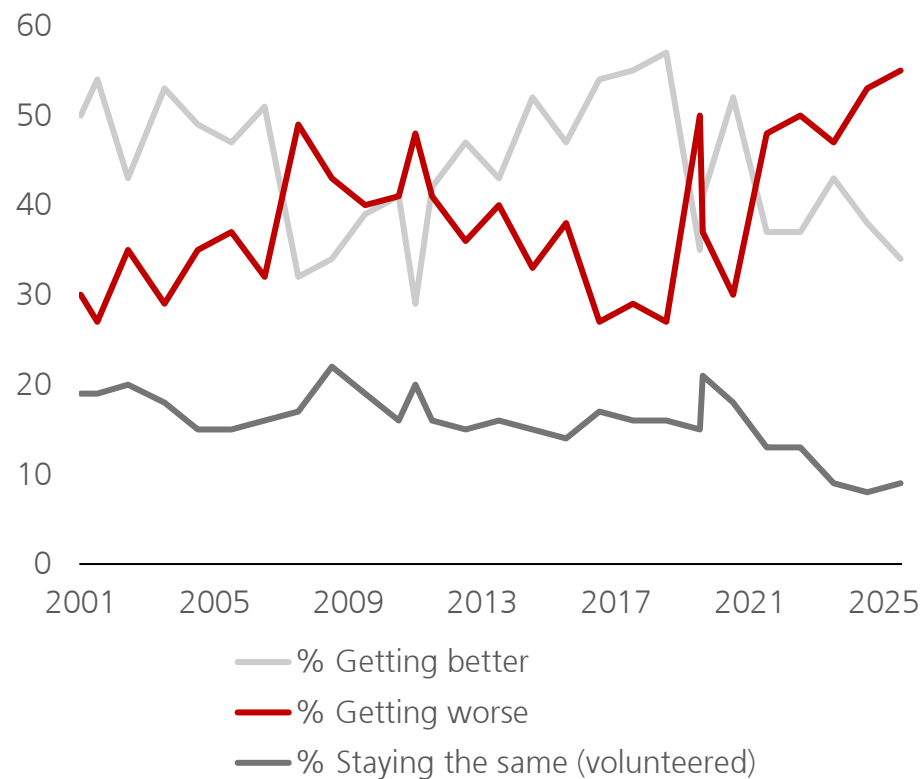
Conference Board consumer confidence index



Source: US Treasury, UBS, as of 4 May 2026

## Economic concerns top of mind for most Americans

% of respondents



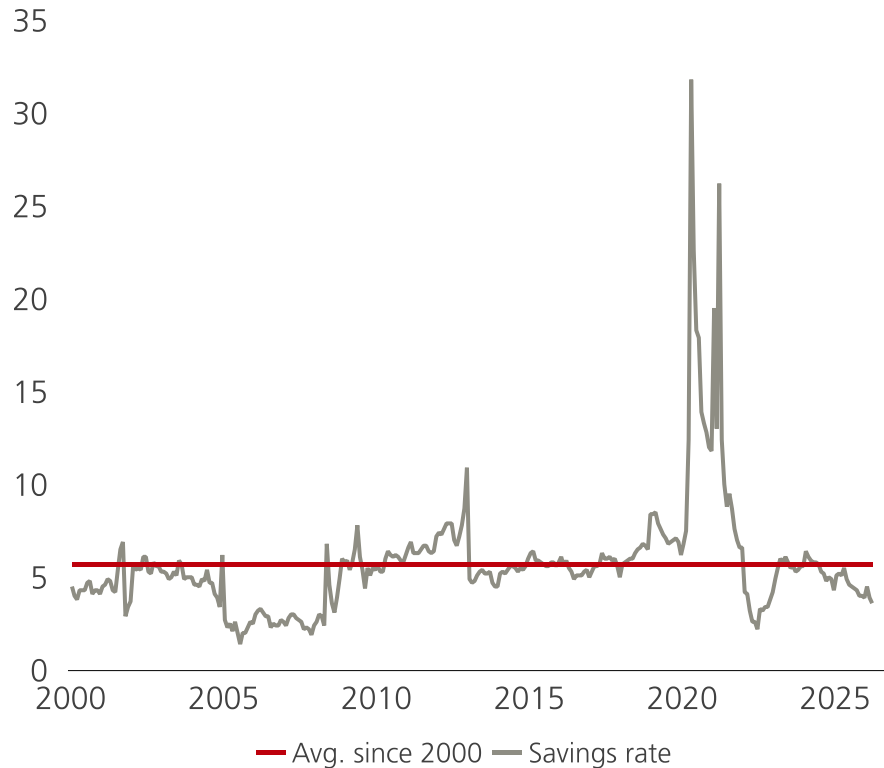
Source: Pew Research, UBS, as of 4 May 2026

# Operating conditions: Consumer balance sheets stretched

Higher prices lead consumers to whittle down their savings rate; real wages still running at a healthy clip but overall disposable income trends close to zero.

## Slower wage increases has weighed on savings rate

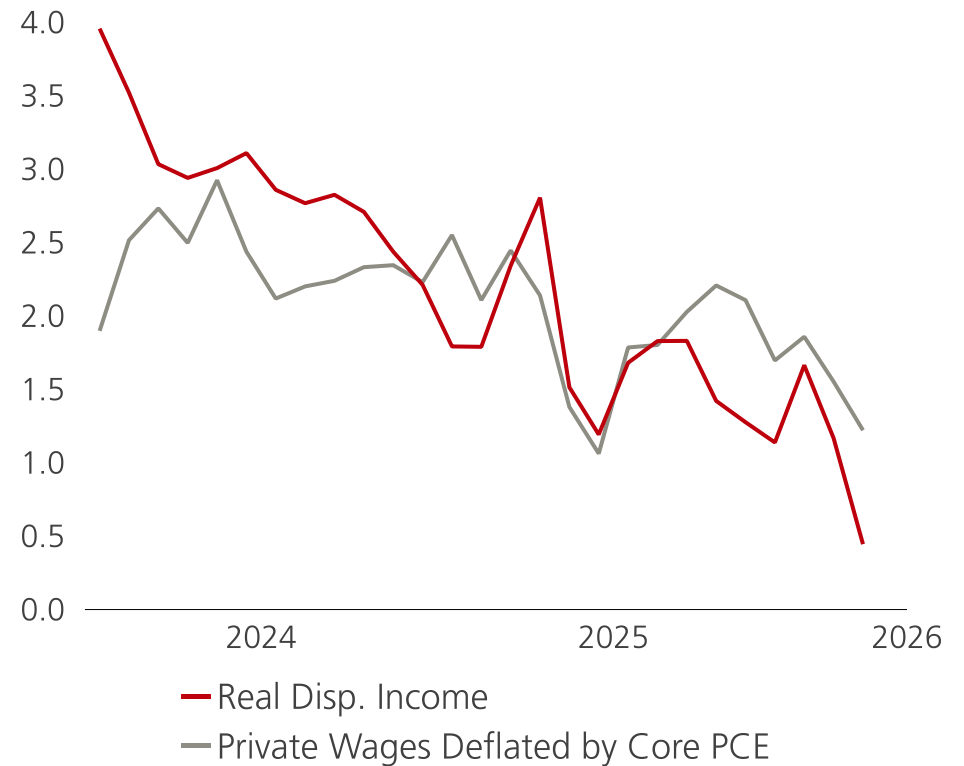
Savings rate, %



Source: Tax Foundation, UBS, as of 4 May 2026

## Real wages hold up despite real income trending lower

Real income and wage growth y/y, %



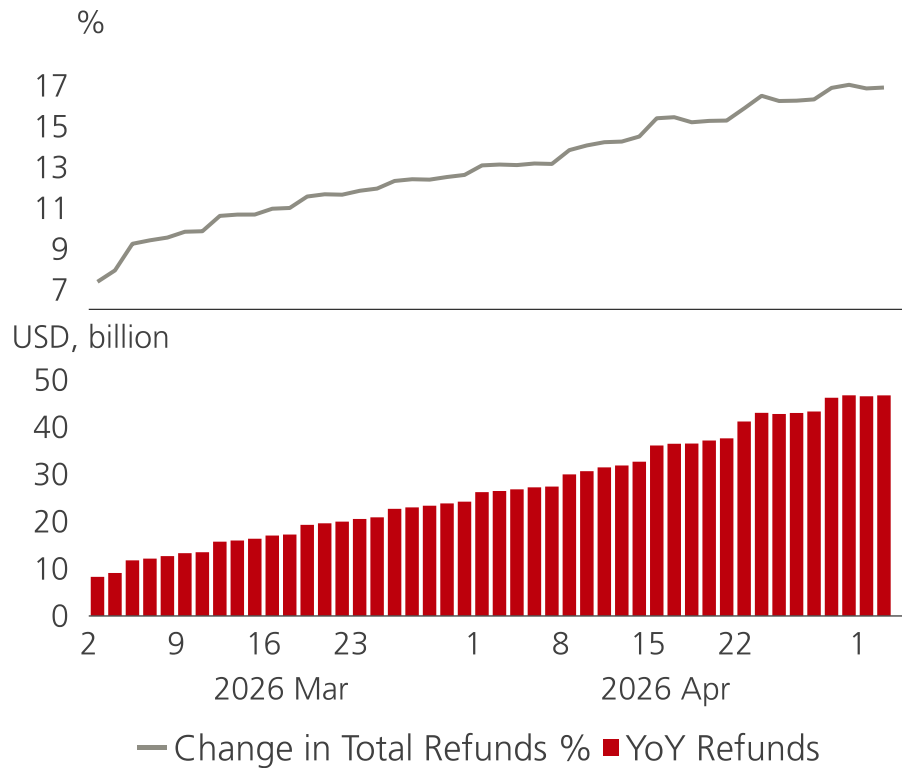
Source: BoA, UBS, as of 4 May 2026

# Operating conditions: Tax refunds are expected up USD 50-60 bn y/y

1Q's consumption ended on a strong note. 2Q likely to be weaker since higher gas prices wipe out any OBBBA-related tax benefits for consumers.

## Refunds are up 16% y/y in aggregate

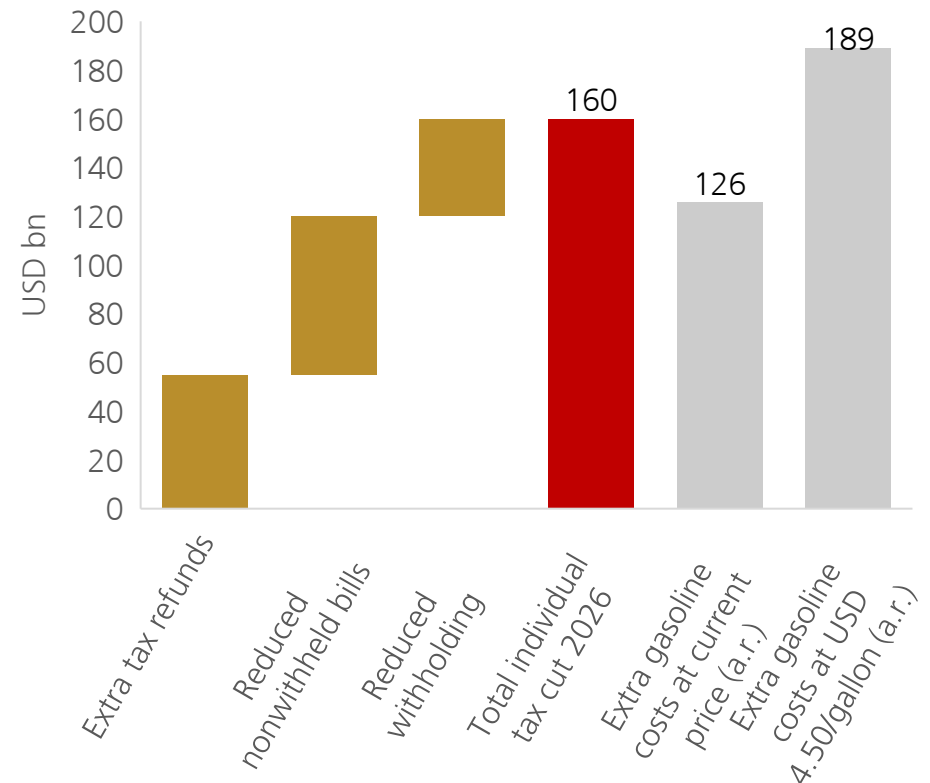
Individual tax refunds YTD vs. a year ago



Source: Macrobond, UBS, as of 27 April 2026

## OBBBA personal tax cuts are offset by higher gasoline prices

Contribution of tax policy to income vs. gasoline income shocks



Source: Piper Sandler, BEA, Bloomberg, Macrobond, UBS, as of 27 April 2026

# Labor key points: Conditions stabilized toward the end of 2025

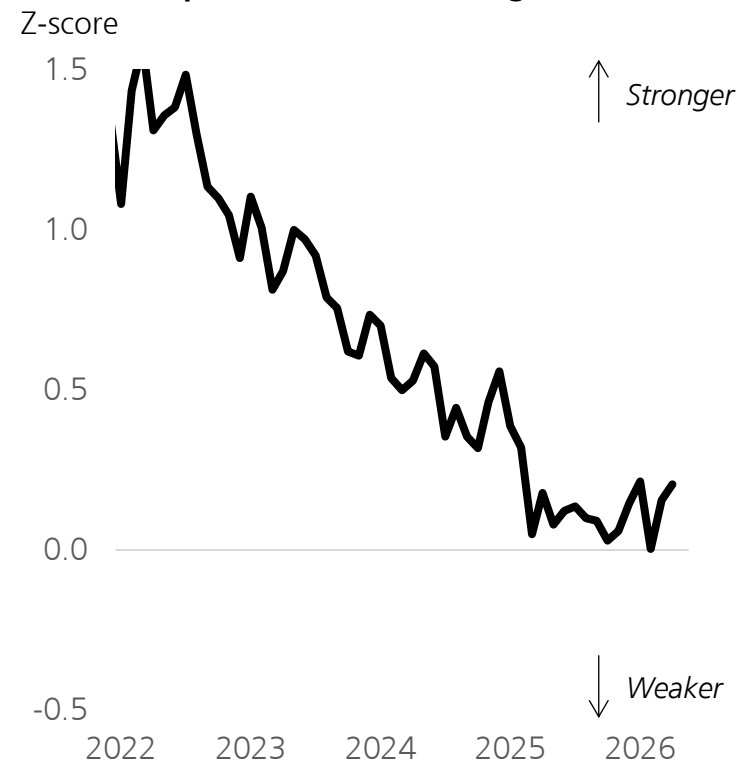
- **Labor market stabilizing, no macro-level AI effects yet.** Recent payrolls data surprised to the upside and unemployment rate starting to fall, despite any AI-related effect.



Labor	-2y	Today
Payrolls	Weak	Strong
ADP Payroll	Weak	Strong
Openings	Strong	Strong
Avg. Hrly. Earnings.	Strong	Strong
Atl. Fed Wage	Strong	Strong
ECI (y/y, %)	Strong	Strong
Unemployment	Strong	Strong
Prime Age Part.	Strong	Strong
Initial Jobless Claims	Strong	Strong
NFIB: Hard to Fill Job	Weak	Weak
NFIB Hiring Intentions	Strong	Strong
Anx. about losing job	Weak	Weak
ISM Employment	Weak	Weak

Note: "AHE" stands for average hourly earnings, "ECI" stands for "Employment cost index." "Labor confidence" taken from the University of Michigan consumer confidence survey.  
 Source: Bloomberg, BLS, University of Michigan, Federal Reserve, UBS, as of 4 May 2026

**Labor Composite score stabilizing**



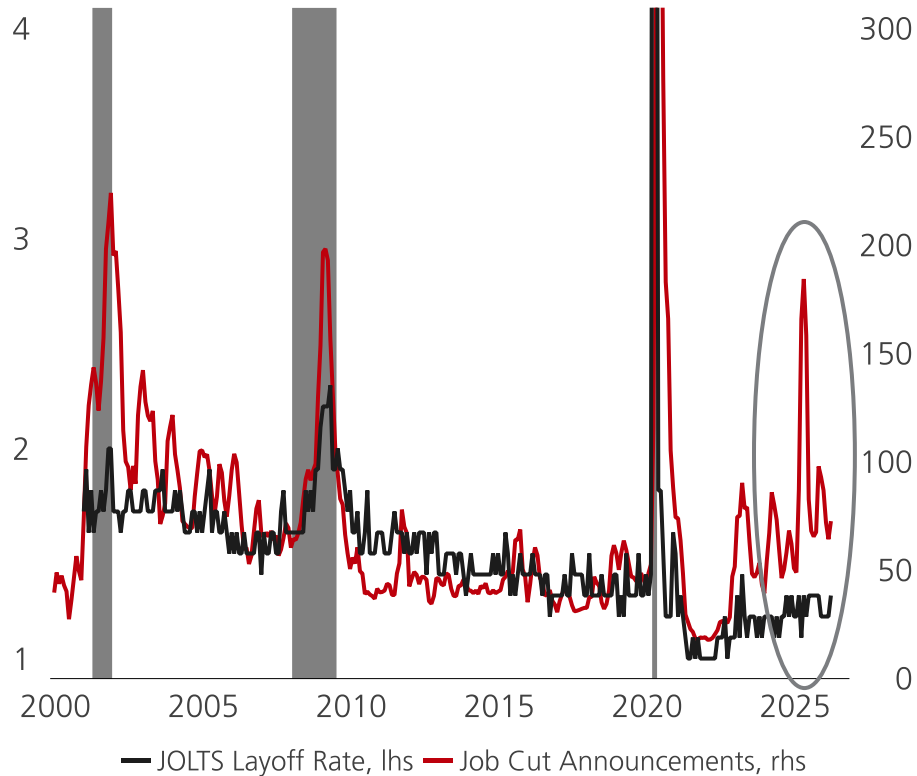
Note: The Composite score takes the average of the z-scores of the indicators in the heatmap.  
 Source: Bloomberg, BLS, UBS as of 4 May 2026

# Operating conditions: Layoff announcements up, but not unemployment

Even with geopolitical jitters and broader adoption of AI, initial jobless claims near a historical low. Unemployment rates have also been moving lower as latest payrolls data surprise to the upside.

## Job cut announcements are rising but layoff rate still very low

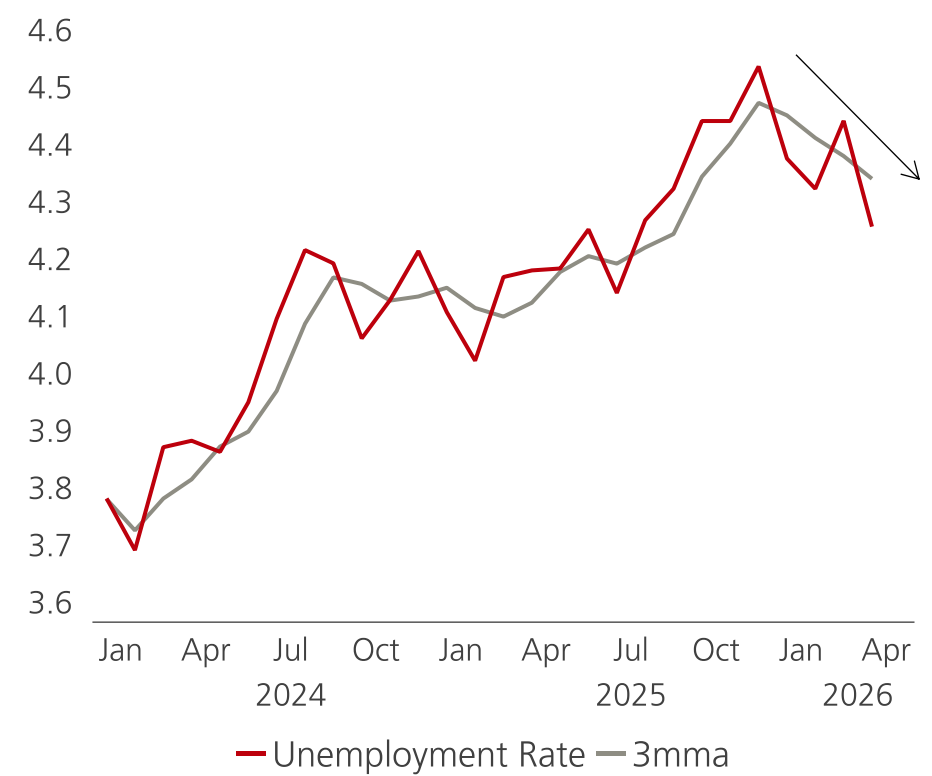
Layoff rate, % & job cut announcements, 1Q mov. avg., thousands



Note: Axes have been truncated  
Source: Bloomberg, Macrobond, UBS, as of 4 May 2026

## The unemployment rate has started to trend lower

Unemployment rate (%) and 3-month moving average



Source: Macrobond, UBS, as of 22 April 2026

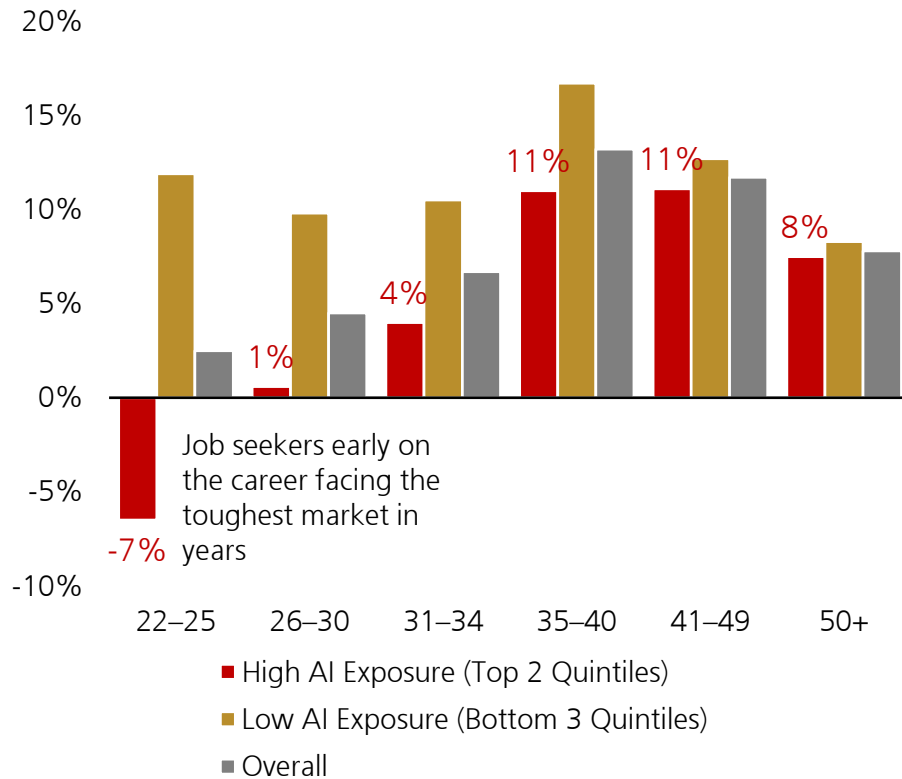


# Operating conditions: AI toughest on early career job seekers

The adoption of AI tools has had little discernable effect on the layoff rate, suggesting little displacement; yet for some highly exposed AI jobs, early career job seekers facing increased pressure.

## AI labor effects are concentrated on the young (4Q22 to 4Q25)

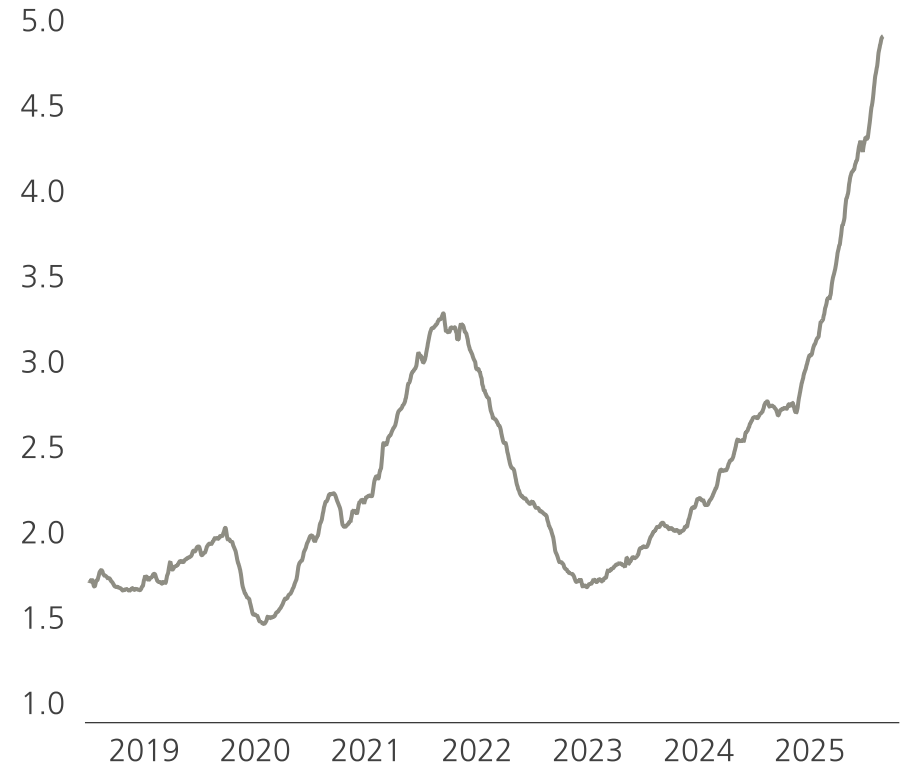
Employment growth (%) by age and AI exposure



Source: BEA, UBS as of 4 May 2026

## At the same time, job postings with AI-related terms surge

Share of total job postings, %



Source: Indeed, UBS, as of 5 May 2026

# Financing key points: Credit conditions improve at tail end of 2025

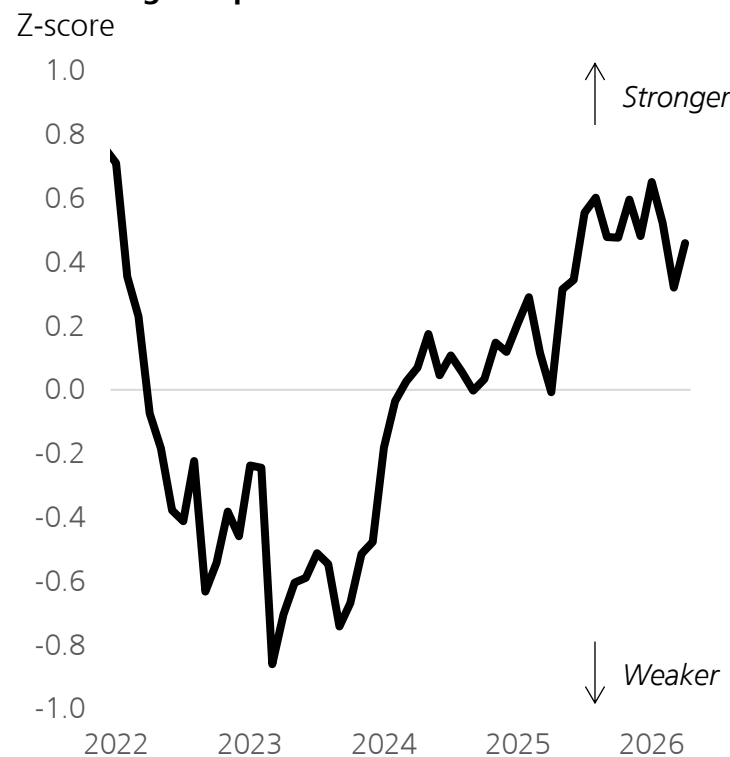
- **Credit conditions still accommodative.** Small to medium businesses are reporting modestly lower interest rates for loans, though credit conditions and outstanding commercial paper issues have softened modestly since the start of Iran war.



Financing	-2Y	Today
Bloomberg FCI	Green	Green
M2	Red	Red
SLOOS - Large	Orange	Orange
SLOOS - Small	Orange	Orange
NFIB - Credit Conditions	Green	Green
NFIB - Interest Rate	Red	Red
CP Spread	Green	Green
IG Spread	Green	Green
HY Spread	Yellow	Yellow
HY Issuance	Red	Green
IG Issuance	Green	Green
Outstanding CP	Red	Green

Note: Financial conditions refers to the Bloomberg Financial Conditions index; "SLOOS" refers to the Federal Reserve Senior Loan Officer Survey; IG issuance are measured on a quarterly moving average of monthly issuance data; Availability of Borrowing Costs refers to "Interest Rate on short-term loans" component in the NFIB survey  
 Source: Bloomberg, NFIB, SIFMA, Federal Reserve, UBS, as of 4 May 2026

**Financing composite softer after Iran war**



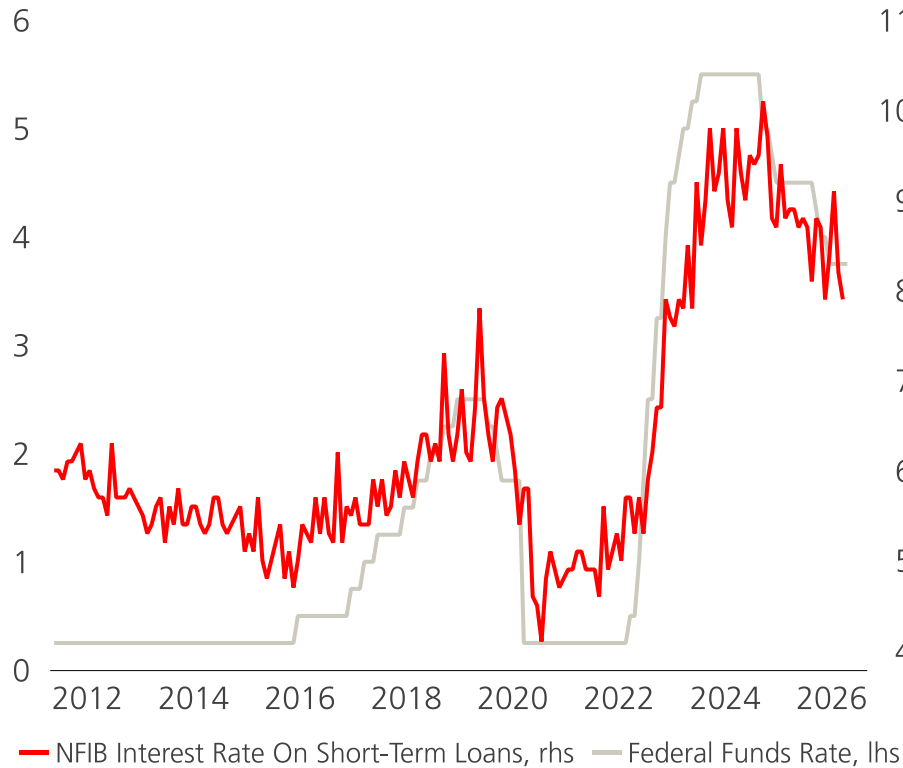
Note: The Composite score takes the average of the z-scores of the indicators in the heatmap.  
 Source: Bloomberg, BLS, UBS as of 4 May 2026

# Operating conditions: Credit conditions accommodative, unchanged

Interest rates are the lowest in years as multiple indications of financial conditions show that the environment is generally favorable for businesses to take on loans.

## Lower interest rates stalled by Fed pause

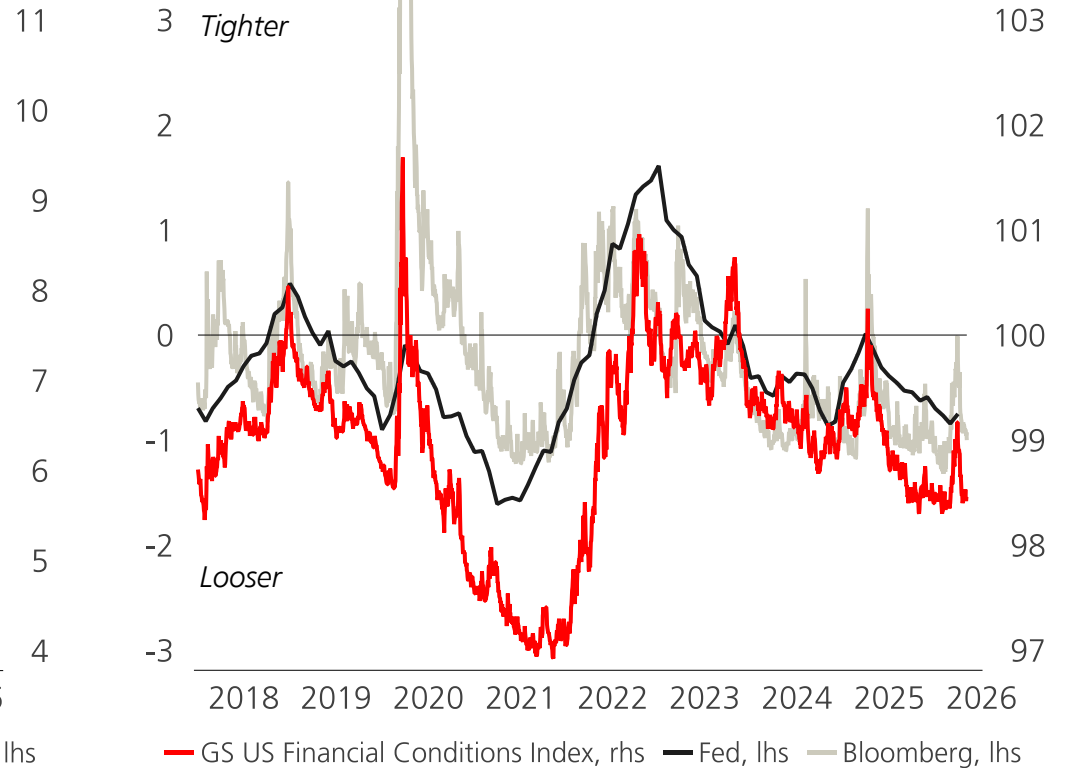
NFIB survey – Actual Interest rate on short-term loans, %



Note: Axes have been truncated  
Source: Bloomberg, Macrobond, UBS, as of 4 May 2026

## Financial conditions return back to pre-war levels

Bloomberg, Fed, GS Financial conditions indexes



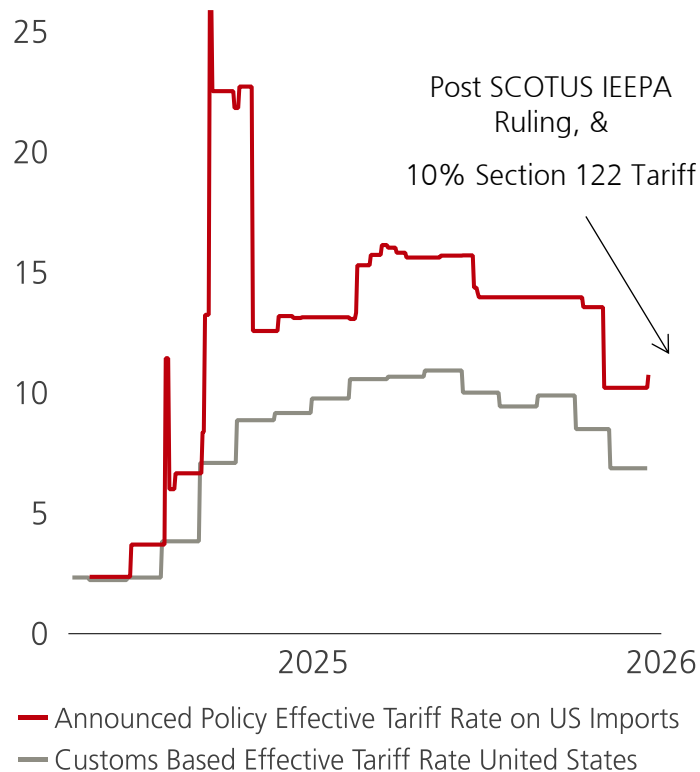
Note: Axes have been truncated  
Source: Bloomberg, Macrobond, UBS, as of 4 May 2026

# Tariffs: Trade policy effects are expected to taper

Tariff rates have moved down ~3pp after the Supreme Court ruling. The Section 122 tariffs expire in July, temporarily replacing the prior policy. Uncertainty measures have trended lower pre-Iran conflict.

- Tariff effect starting to fade.** Tariffs should add to sequential goods inflation through 1H and fade in 2H. Fed staff estimate tariffs have added roughly 0.8pp to core inflation. More importantly for businesses, peak uncertainty likely to be behind us as tariff-related refunds start.

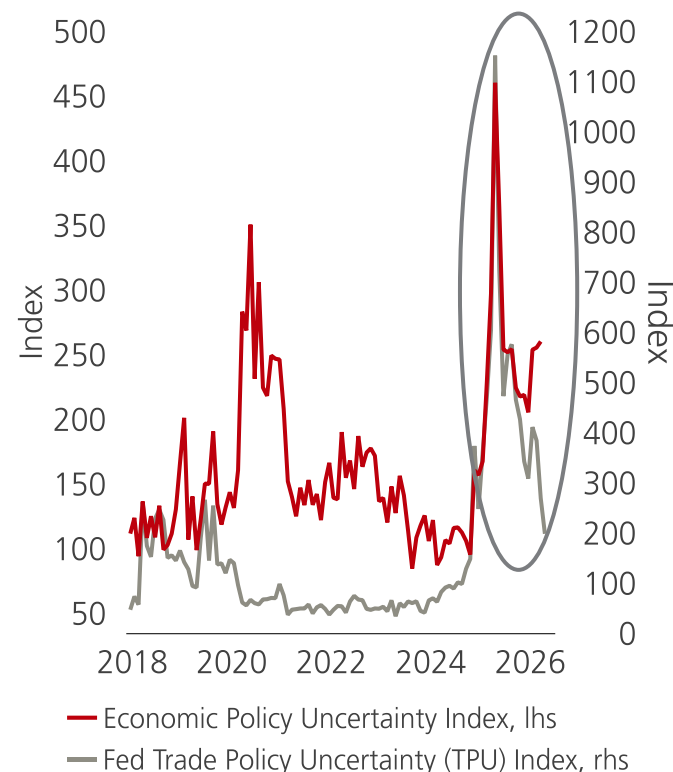
**Tariff rates have dropped since IEEPA ruling**



Source: Bloomberg, UBS, as of 27 April 2026

**Policy uncertainty far from peak**

US economic policy uncertainty index and trade



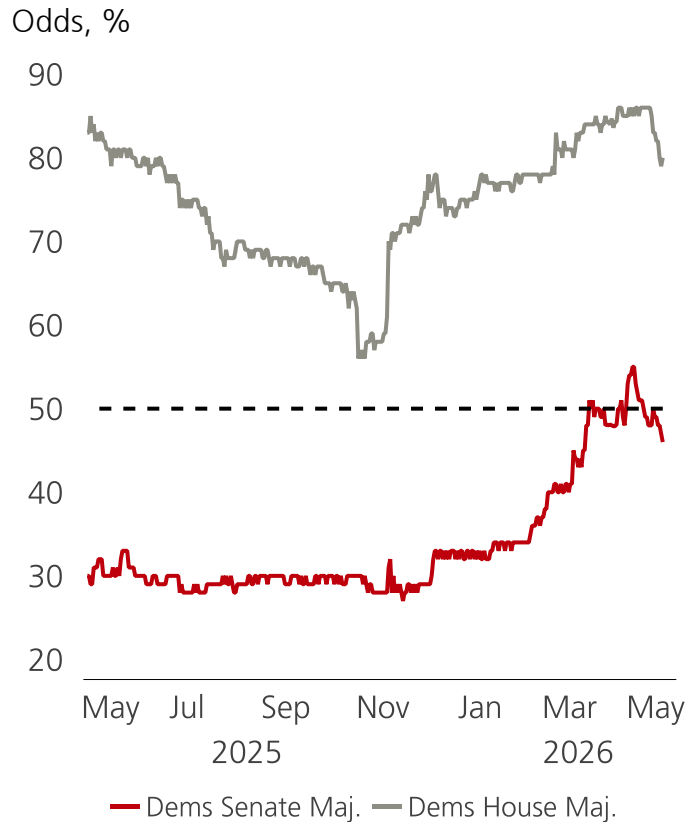
Source: Bloomberg, UBS, as of 27 April 2026

# Politics: Divided government is the most likely option

A Democratic House is the base case, but a steep uphill battle to win Senate majority; limited immediate macro impact, but a Democratic Senate could block White House appointees.

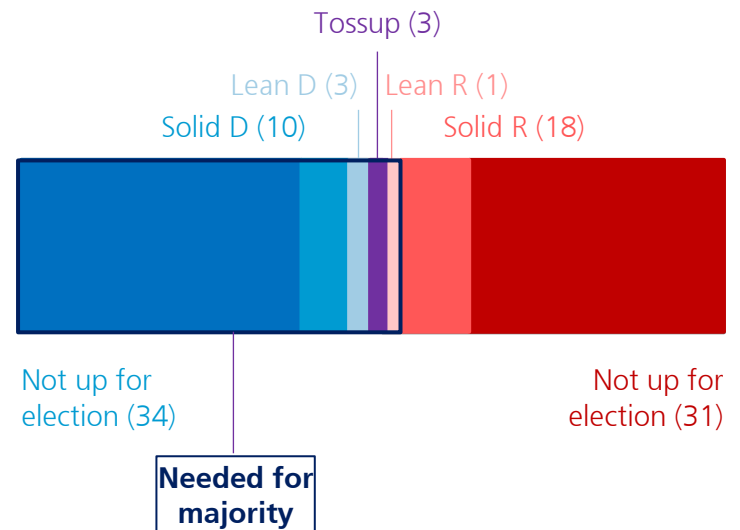
- **A Democratic House should be expected.** Republicans currently have a very slim 5-seat majority, and the House historically switches parties midway through a presidential administration.
- **Democratic Senate is a much longer shot.** The main difference would be curbing the White House's cabinet nominations.
- **Thus, expect divided government.** Historically, the best outcome for markets and should be another win for institutionalism.

**Dems expected to take House but not Senate**



Source: Kalshi, Macrobond, as of 6 May 2026

**Dems need to win ALL Tossup AND Lean R Senate Seats by elections odds**



Note: Both Independent Senators Bernie Sanders and Angus King grouped with Democrats not up for election.  
Source: Cook Political Report, UBS, as of 29 April 2026

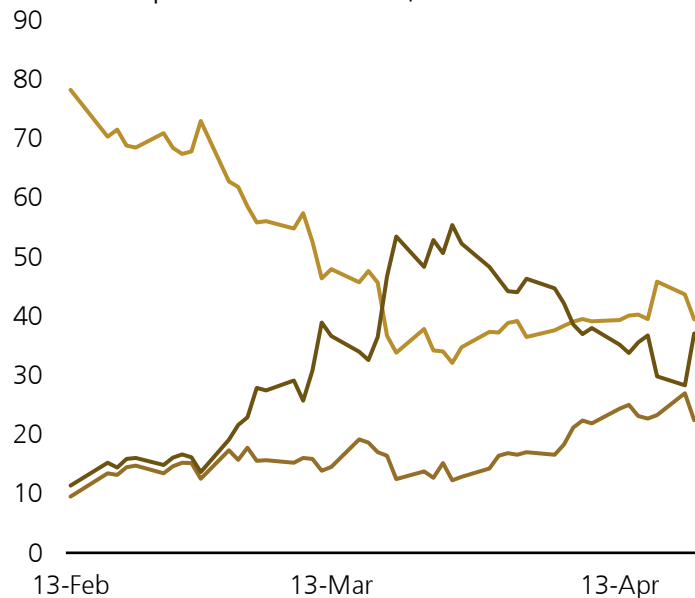
# Fed: Rate cuts should continue, but oil prices could delay timing

We expect the Fed to cut twice more in 2026 after the peak in goods inflation confirms tariff effects are a one-off. Higher oil prices add uncertainty to the timing, but not likely the direction.

- **Our more dovish call on the Fed is predicated on new leadership and slowing inflation.** The tariff effects so far have been more muted than expected, and the peak is likely behind us. Oil-related impact could harm consumption, adding to disinflationary impulses during the second-half of 2026.

## Markets base case is "no rate cut" in 2026

Futures-implied rate cut odds, %

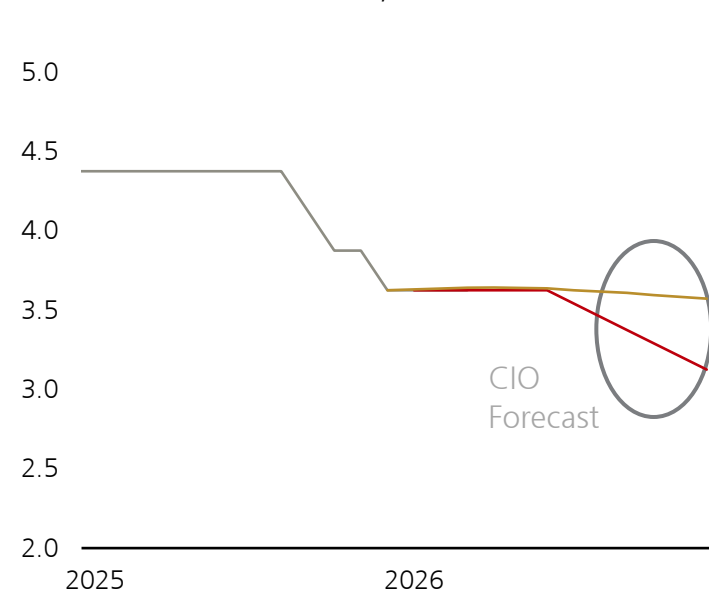


- Probability of Lower Policy Rates at Dec-26
- No Change at Dec-26
- Probability of Higher Policy Rates at Dec-26

Source: Bloomberg, Macrobond, as of 22 April 2026

## We are more dovish, expecting 2 cuts in 2026

Federal funds rate forecast, %



- Federal Funds Rate
- CIO Forecast
- Market pricing

Source: Bloomberg, Macrobond, as of 22 April 2026

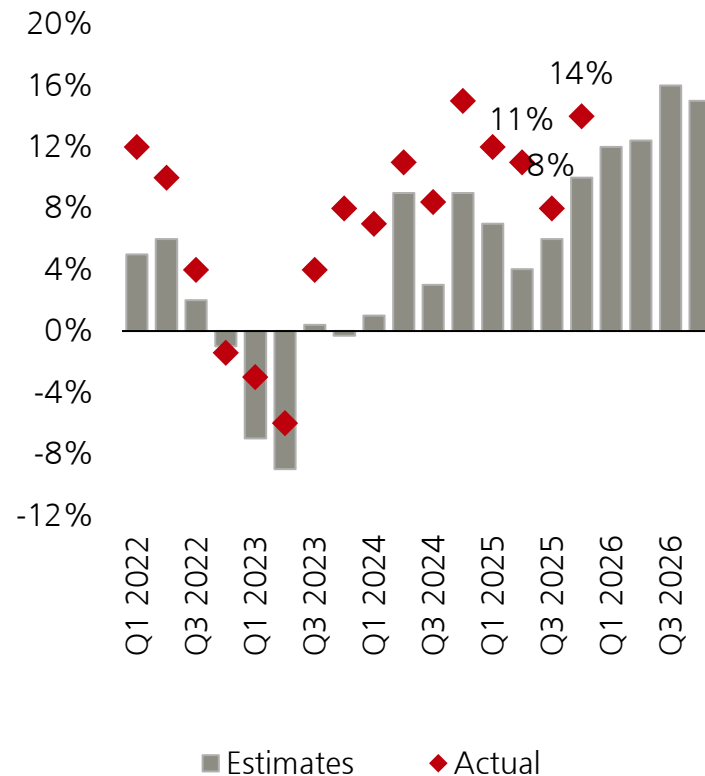
# Markets: Equities reach record highs owing to strong fundamentals

Despite growing geopolitical headwinds, high oil prices, and the prospect of fewer rate cuts than anticipated, equities reach new highs owing to robust 1Q earnings reporting and healthy 2Q guidance.

- Earnings in the US continue to beat expectations.** Companies representing some 70% of the S&P 500 market capitalization have reported their first-quarter earnings, and around 80% of them have beaten sales and earnings per share (EPS) estimates. The median EPS beat (at 5%) is better than the longer-term average since 2015, suggesting a broadening of profit growth.

## Earnings growth keeps outperforming

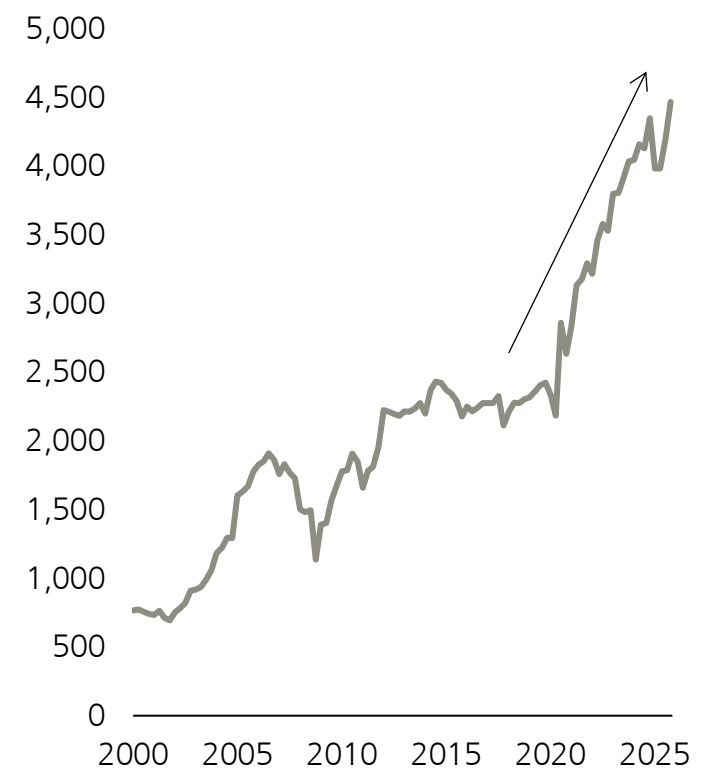
S&P 500 EPS y/y %, actual vs. estimate



Source: FactSet, Bloomberg, UBS, as of 4 May 2026

## And corporate profits keep rising

P/E ratio



Note: Data range from 1990. Grey bars capture 5-95% of range. Source: Bloomberg, UBS, as of 4 May 2026

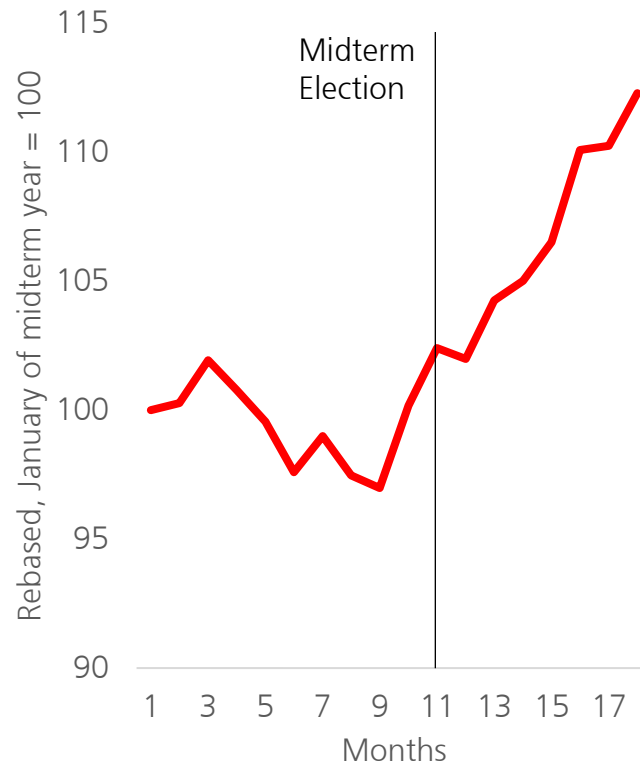
# Markets: Midterms historically have led to stock market rallies

Average stock market performance tends to be subdued leading up to midterm election; perhaps surprisingly, divided government environment also tends to be the best for equities.

- Party in power tends to lose seats.** History suggests that the party in power loses an average of 27 seats in the House and 3 seats in the Senate. Such an outcome in 2026 would lead to divided government—the best scenario for equity performance.

## Stocks tend to rise following midterm election

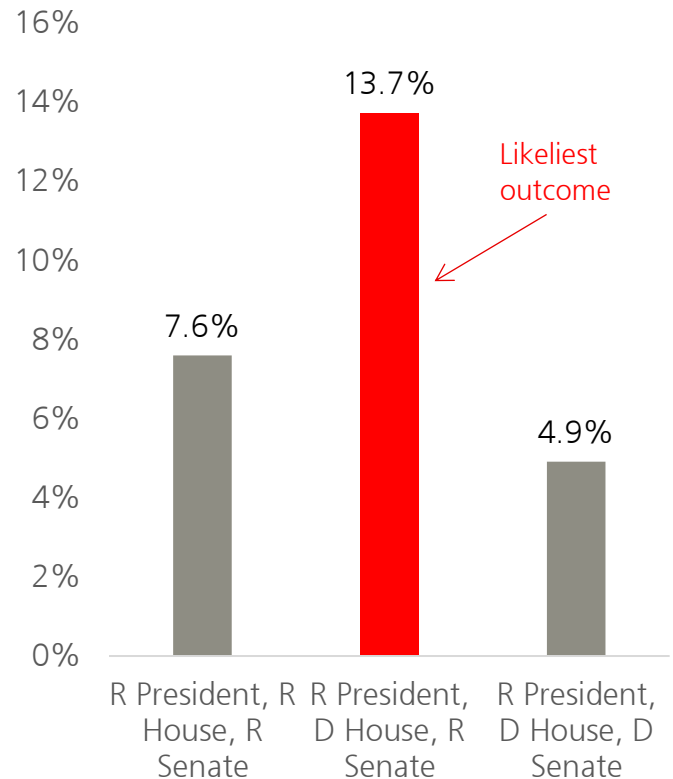
S&P 500 performance during midterm years



Note: S&P 500 performance gathered from mid-term election years from from 1994.  
Source: Bloomberg, UBS as of 4 May 2026

## And divided gov't usually better for equities

Average annual S&P 500 performance since 1933

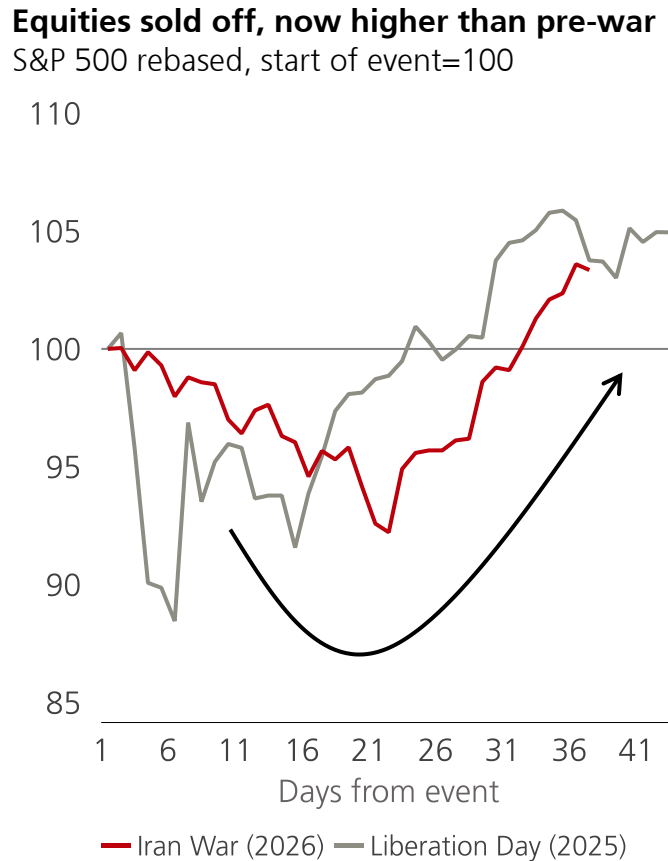


Source: Senate.gov, Bloomberg, UBS as of 4 May 2026

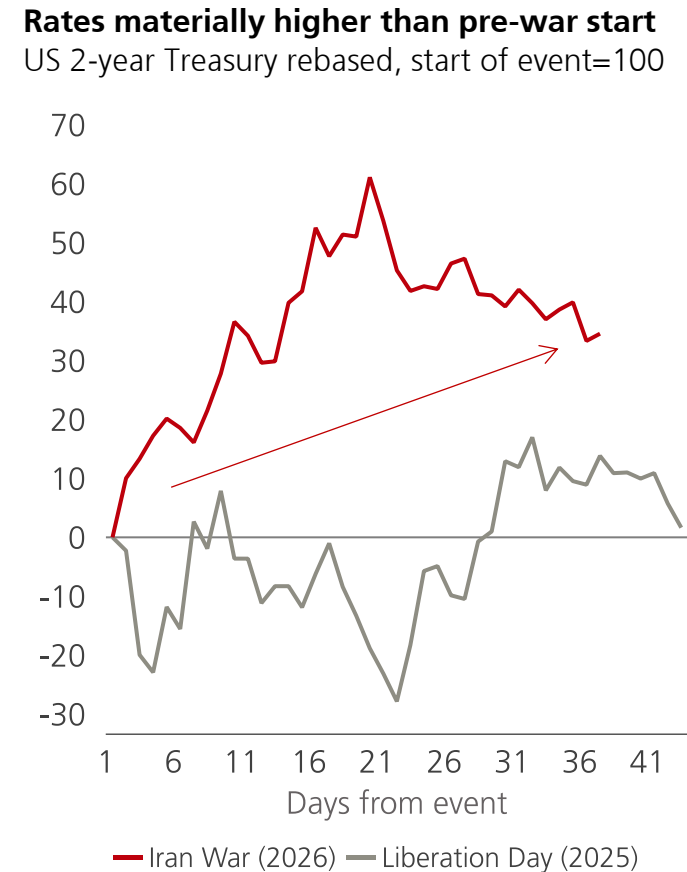
# Markets: Iran conflict absorbed differently by equities and rates

Equity performance in the days following the Iran war look very similar to post-“Liberation Day” path, while shorter-term rates stubbornly higher owing to inflationary impact.

- **Like last year’s “Liberation Day,” equities look through Iran conflict.** After selling off close to 10%, markets rebounded quickly and now are around 5% higher than pre-war levels.
- **Rates are pricing in higher inflation.** Pre-war, 2-year Treasury yield fell lower than 3.4% and now trends closer to 4%, essentially pricing out any rate cuts in the near term.



Source: Bloomberg, as of 20 April 2026

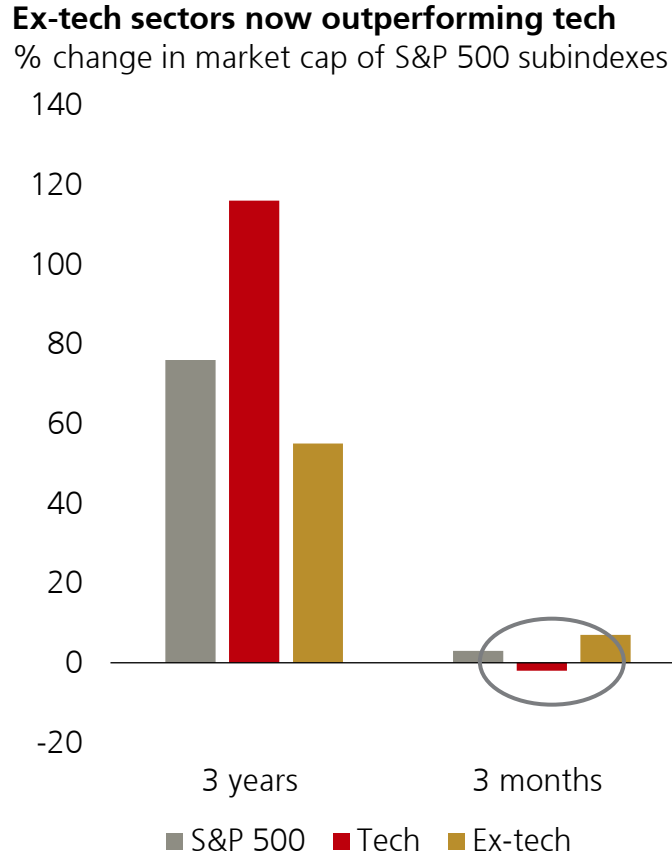


Source: Bloomberg, as of 20 April 2026

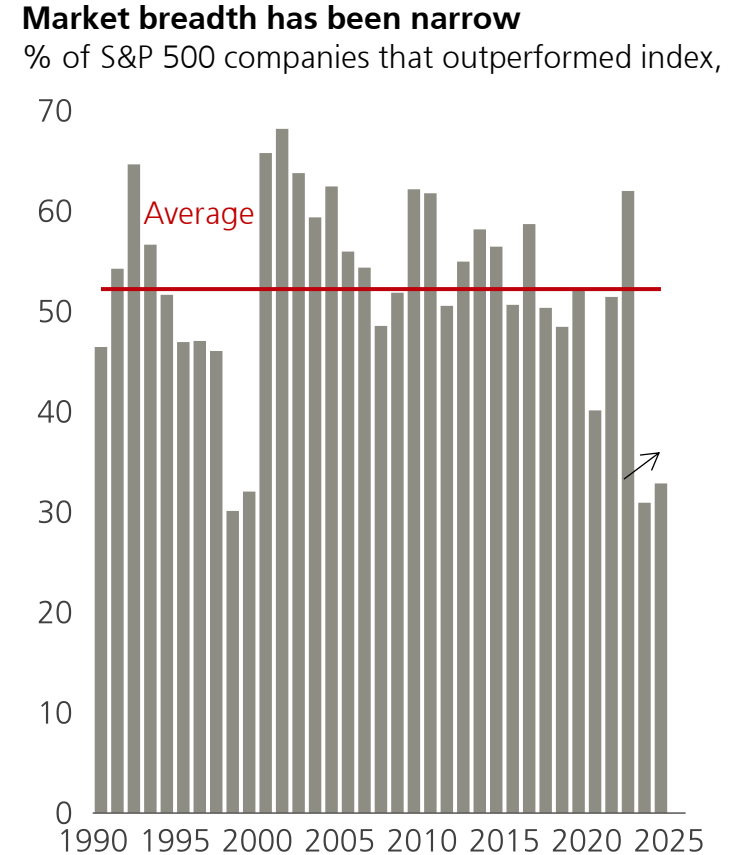
# Markets: We expect the US equity rally to broaden

Equity performance in the days following the Iran war look very similar to post-“Liberation Day” path while shorter-term rates stubbornly higher owing to inflationary impact.

- **We expect recent concentration of performance in tech to broaden.** While the outlook for US equities remains favorable, we also expect the rally to broaden as historical innovation cycles show a performance handover from enablers to adopters of new technologies.



Source: Bloomberg, Macrobond, UBS, as of 5 May 2026



Source: Bloomberg, Macrobond, UBS, as of 5 May 2026

# Markets: Dealmaking starts 2026 on a strong foot

Dealmaking activity ends 2025 on a strong note as investor optimism and increase of exit opportunities outweigh policy volatility headwinds.

- **M&A accelerates, as dealmakers avoid geopolitics.**

Despite geopolitical-related volatility, M&A volumes increased helped by a significant USD 250 xAI transaction in 1Q.

- **PE recent momentum under pressure.**

Momentum for deal activity picked up last summer before stalling at the start of this year on increased geopolitical jitters. Mega deals continue to dominate activity. Despite a pickup in exit activity, US dry powder hovers at a record USD 1 tr.

- **IPO activity accelerates, while market waits for mega-IPO.**

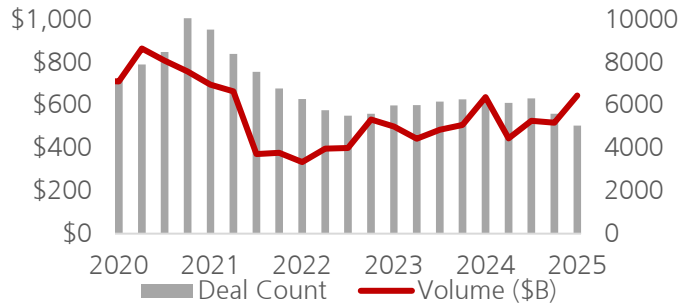
Debuts of AI-related companies could push 2026 to record levels.

- **VC makes all-time highs.**

Deal value in 1Q exceeds every year except for 2021 and 2025 but heavily concentrated in top five deals. Sector breadth ex-software was robust but AI-related names captured the attention of investors.

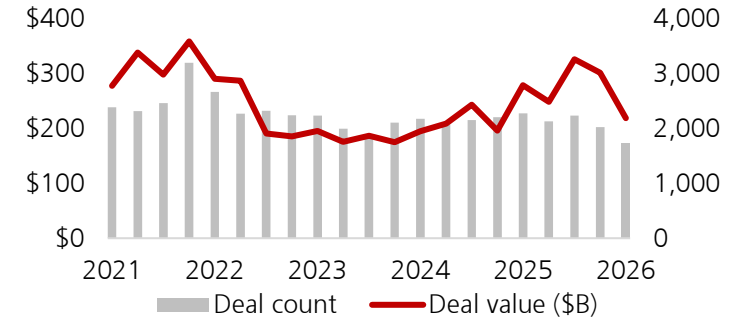
**M&A surges in 1Q**

bn \$ and count



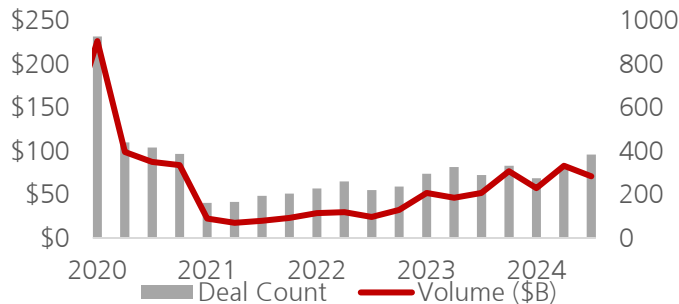
**PE dealmaking increasing**

bn \$ and count



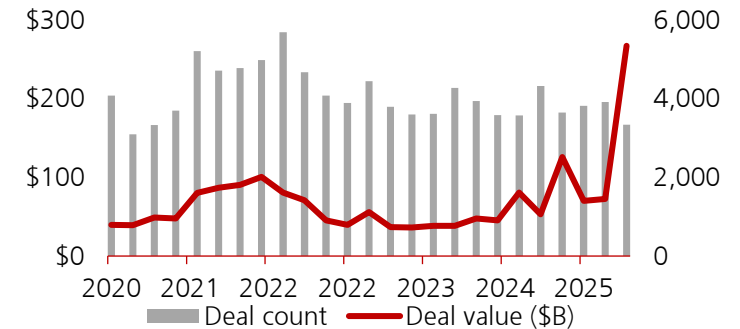
**IPOs have the busiest quarter since 2021**

bn \$ and count



**Venture hits a record in 1Q26**

bn \$ and count



Source: Pitchbook, Bloomberg, UBS, as of 4 May 2026



# Appendix

# Risk information

## Non-Traditional Assets

**Non-traditional asset classes are alternative investments that include hedge funds, private equity, real estate, and managed futures (collectively, alternative investments).** Interests of alternative investment funds are sold only to qualified investors, and only by means of offering documents that include information about the risks, performance and expenses of alternative investment funds, and which clients are urged to read carefully before subscribing and retain. **An investment in an alternative investment fund is speculative and involves significant risks.**

Specifically, these investments (1) are not mutual funds and are not subject to the same regulatory requirements as mutual funds; (2) may have performance that is volatile, and investors may lose all or a substantial amount of their investment; (3) may engage in leverage and other speculative investment practices that may increase the risk of investment loss; (4) are long-term, illiquid investments, there is generally no secondary market for the interests of a fund, and none is expected to develop; (5) interests of alternative investment funds typically will be illiquid and subject to restrictions on transfer; (6) may not be required to provide periodic pricing or valuation information to investors; (7) generally involve complex tax strategies and there may be delays in distributing tax information to investors; (8) are subject to high fees, including management fees and other fees and expenses, all of which will reduce profits.

Interests in alternative investment funds are not deposits or obligations of, or guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other governmental agency. Prospective investors should understand these risks and have the financial ability and willingness to accept them for an extended period of time before making an investment in an alternative investment fund and should consider an alternative investment fund as a supplement to an overall investment program.

In addition to the risks that apply to alternative investments generally, the following are additional risks related to an investment in these strategies:

- **Hedge Fund Risk:** There are risks specifically associated with investing in hedge funds, which may include risks associated with investing in short sales, options, small-cap stocks, “junk bonds,” derivatives, distressed securities, non-U.S. securities and illiquid investments.
- **Managed Futures:** There are risks specifically associated with investing in managed futures programs. For example, not all managers focus on all strategies at all times, and managed futures strategies may have material directional elements.
- **Real Estate:** There are risks specifically associated with investing in real estate products and real estate investment trusts. They involve risks associated with debt, adverse changes in general economic or local market conditions, changes in governmental, tax, real estate and zoning laws or regulations, risks associated with capital calls and, for some real estate products, the risks associated with the ability to qualify for favorable treatment under the federal tax laws.
- **Private Equity:** There are risks specifically associated with investing in private equity. Capital calls can be made on short notice, and the failure to meet capital calls can result in significant adverse consequences including, but not limited to, a total loss of investment.
- **Private Credit:** There are risks specifically associated with investing in private credit. This could include losses stemming from defaults on loans, which in significant adverse circumstances could result in a substantial loss of investment.
- **Foreign Exchange/Currency Risk:** Investors in securities of issuers located outside of the United States should be aware that even for securities denominated in U.S. dollars, changes in the exchange rate between the U.S. dollar and the issuer’s “home” currency can have unexpected effects on the market value and liquidity of those securities. Those securities may also be affected by other risks (such as political, economic or regulatory changes) that may not be readily known to a U.S. investor.

UBS Chief Investment Office's ("CIO") investment views are prepared and published by the Global Wealth Management business of UBS Switzerland AG (regulated by FINMA in Switzerland) or its affiliates ("UBS"), part of UBS Group AG ("UBS Group"). UBS Group includes former Credit Suisse AG, its subsidiaries, branches and affiliates. Additional disclaimer relevant to Credit Suisse Wealth Management follows at the end of this section.

The investment views have been prepared in accordance with legal requirements designed to promote the **independence of investment research**.

## **Generic investment research – Risk information:**

This publication is **for your information only** and is not intended as an offer, or a solicitation of an offer, to buy or sell any investment or other specific product. The analysis contained herein does not constitute a personal recommendation or take into account the particular investment objectives, investment strategies, financial situation and needs of any specific recipient. It is based on numerous assumptions. Different assumptions could result in materially different results. Certain services and products are subject to legal restrictions and cannot be offered worldwide on an unrestricted basis and/or may not be eligible for sale to all investors. All information and opinions expressed in this document were obtained from sources believed to be reliable and in good faith, but no representation or warranty, express or implied, is made as to its accuracy or completeness (other than disclosures relating to UBS). All information and opinions as well as any forecasts, estimates and market prices indicated are current as of the date of this report, and are subject to change without notice. Opinions expressed herein may differ or be contrary to those expressed by other business areas or divisions of UBS as a result of using different assumptions and/or criteria. UBS may utilise artificial intelligence tools ("AI Tools") in the preparation of this document. Notwithstanding any such use of AI Tools, this document has undergone human review.

In no circumstances may this document or any of the information (including any forecast, value, index or other calculated amount ("Values")) be used for any of the following purposes (i) valuation or accounting purposes; (ii) to determine the amounts due or payable, the price or the value of any financial instrument or financial contract; or (iii) to measure the performance of any financial instrument including, without limitation, for the purpose of tracking the return or performance of any Value or of defining the asset allocation of portfolio or of computing performance fees. By receiving this document and the information you will be deemed to represent and warrant to UBS that you will not use this document or otherwise rely on any of the information for any of the above purposes. UBS and any of its directors or employees may be entitled at any time to hold long or short positions in investment instruments referred to herein, carry out transactions involving relevant investment instruments in the capacity of principal or agent, or provide any other services or have officers, who serve as directors, either to/for the issuer, the investment instrument itself or to/for any company commercially or financially affiliated to such issuers. At any time, investment decisions (including whether to buy, sell or hold securities) made by UBS and its employees may differ from or be contrary to the opinions expressed in UBS research publications. Some investments may not be readily realizable since the market in the securities is illiquid and therefore valuing the investment and identifying the risk to which you are exposed may be difficult to quantify. UBS relies on information barriers to control the flow of information contained in one or more areas within UBS, into other areas, units, divisions or affiliates of UBS. Futures and options trading is not suitable for every investor as there is a substantial risk of loss, and losses in excess of an initial investment may occur. Past performance of an investment is no guarantee for its future performance. Additional information will be made available upon request. Some investments may be subject to sudden and large falls in value and on realization you may receive back less than you invested or may be required to pay more. Changes in foreign exchange rates may have an adverse effect on the price, value or income of an investment. The analyst(s) responsible for the preparation of this report may interact with trading desk personnel, sales personnel and other constituencies for the purpose of gathering, synthesizing and interpreting market information.

Different areas, groups, and personnel within UBS Group may produce and distribute separate research products **independently of each other**. For example, research publications from **CIO** are produced by UBS Global Wealth Management. **UBS Global Research** is produced by UBS Investment Bank. **Research methodologies and rating systems of each separate research organization may differ**, for example, in terms of investment recommendations, investment horizon, model assumptions, and valuation methods. As a consequence, except for certain economic forecasts (for which UBS CIO and UBS Global Research may collaborate), investment recommendations, ratings, price targets, and valuations provided by each of the separate research organizations may be different, or inconsistent. You should refer to each relevant research product for the details as to their methodologies and rating system. Not all clients may have access to all products from every organization. Each research product is subject to the policies and procedures of the organization that produces it. The compensation of the analyst(s) who prepared this report is determined exclusively by research management and senior management (not including investment banking). Analyst compensation is not based on investment banking, sales and trading or principal trading revenues, however, compensation may relate to the revenues of UBS Group as a whole, of which investment banking, sales and trading and principal trading are a part.

Tax treatment depends on the individual circumstances and may be subject to change in the future. UBS does not provide legal or tax advice and makes no representations as to the tax treatment of assets or the investment returns thereon both in general or with reference to specific client's circumstances and needs. We are of necessity unable to take into account the particular investment objectives, financial situation and needs of our individual clients and we would recommend that you take financial and/or tax advice as to the implications (including tax) of investing in any of the products mentioned herein.

This material may not be reproduced or copies circulated without prior authority of UBS. Unless otherwise agreed in writing UBS expressly prohibits the distribution and transfer of this material to third parties for any reason. UBS accepts no liability whatsoever for any claims or lawsuits from any third parties arising from the use or distribution of this material. This report is for distribution only under such circumstances as may be permitted by applicable law. For information on the ways in which CIO manages conflicts and maintains independence of its investment views and publication offering, and research and rating methodologies, please visit [www.ubs.com/research-methodology](http://www.ubs.com/research-methodology). Additional information on the relevant authors of this publication and other CIO publication(s) referenced in this report; and copies of any past reports on this topic; are available upon request from your client advisor.

**Important Information About Sustainable Investing Strategies:** Sustainable investing strategies aim to consider and incorporate environmental, social and governance (ESG) factors into investment process and portfolio construction. Strategies across geographies approach ESG analysis and incorporate the findings in a variety of ways. Incorporating ESG factors or Sustainable Investing considerations may inhibit UBS's ability to participate in or to advise on certain investment opportunities that otherwise would be consistent with the Client's investment objectives. The returns on a portfolio incorporating ESG factors or Sustainable Investing considerations may be lower or higher than portfolios where ESG factors, exclusions, or other sustainability issues are not considered by UBS, and the investment opportunities available to such portfolios may differ.

**External Asset Managers / External Financial Consultants:** In case this research or publication is provided to an External Asset Manager or an External Financial Consultant, UBS expressly prohibits that it is redistributed by the External Asset Manager or the External Financial Consultant and is made available to their clients and/or third parties.

**USA:** Distributed to US persons only by UBS Financial Services Inc. or UBS Securities LLC, subsidiaries of UBS AG. UBS Switzerland AG, UBS Europe SE, UBS Bank, S.A., UBS Brasil Administradora de Valores Mobiliarios Ltda, UBS (Brasil) Corretora de Valores S.A., UBS Asesores Mexico, S.A. de C.V., UBS SuMi TRUST Wealth Management Co., Ltd., UBS Wealth Management Israel Ltd and UBS Menkul Degerler AS are affiliates of UBS AG. **UBS Financial Services Inc. accepts responsibility for the content of a report prepared by a non-US affiliate when it distributes reports to US persons. All transactions by a US person in the securities mentioned in this report should be effected through a US-registered broker dealer affiliated with UBS, and not through a non-US affiliate. The contents of this report have not been and will not be approved by any securities or investment authority in the United States or elsewhere. UBS Financial Services Inc. is not acting as a municipal advisor to any municipal entity or obligated person within the meaning of Section 15B of the Securities Exchange Act (the "Municipal Advisor Rule") and the opinions or views contained herein are not intended to be, and do not constitute, advice within the meaning of the Municipal Advisor Rule.**

For country information, please visit [ubs.com/cio-country-disclaimer-gr](http://ubs.com/cio-country-disclaimer-gr) or ask your client advisor for the full disclaimer.

## **Additional Disclaimer relevant to Credit Suisse Wealth Management**

You receive this document in your capacity as a client of Credit Suisse Wealth Management. Your personal data will be processed in accordance with the Credit Suisse privacy statement accessible at your domicile through the official Credit Suisse website. In order to provide you with marketing materials concerning our products and services, UBS Group AG and its subsidiaries may process your basic personal data (i.e. contact details such as name, e-mail address) until you notify us that you no longer wish to receive them. You can optout from receiving these materials at any time by informing your Relationship Manager.

Except as otherwise specified herein and/or depending on the local Credit Suisse entity from which you are receiving this report, this report is distributed by UBS Switzerland AG, authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA).

Version B/2026. CIO82652744

© UBS 2026. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.